

## STATE OF MINNESOTA

## EIGHTY-FOURTH SESSION — 2005

## SIXTY-FIFTH DAY

SAINT PAUL, MINNESOTA, SATURDAY, MAY 21, 2005

The House of Representatives convened at 9:00 a.m. and was called to order by Steve Sviggum, Speaker of the House.

Prayer was offered by the Reverend Lonnie E. Titus, House Chaplain.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

The roll was called and the following members were present:

Abrams	Dill	Hilstrom	Larson	Opatz	Simon
Anderson, B.	Dittrich	Hilty	Latz	Otremba	Simpson
Anderson, I.	Dorn	Holberg	Lenczewski	Ozment	Slawik
Atkins	Eastlund	Hoppe	Lesch	Paulsen	Smith
Beard	Eken	Hornstein	Liebling	Paymar	Soderstrom
Bernardy	Ellison	Hortman	Lieder	Pelowski	Solberg
Blaine	Emmer	Hosch	Lillie	Penas	Sykora
Bradley	Entenza	Howes	Loeffler	Peppin	Thao
Brod	Erhardt	Huntley	Magnus	Peterson, A.	Thissen
Buesgens	Erickson	Jaros	Mahoney	Peterson, N.	Tingelstad
Carlson	Finstad	Johnson, J.	Mariani	Peterson, S.	Urdahl
Charron	Fritz	Johnson, R.	Marquart	Poppe	Vandever
Clark	Garofalo	Johnson, S.	McNamara	Powell	Wagenius
Cornish	Gazelka	Juhnke	Meslow	Rukavina	Walker
Cox	Goodwin	Kahn	Moe	Ruth	Wardlow
Cybart	Greiling	Kelliher	Mullery	Ruud	Welti
Davids	Gunther	Klinzing	Murphy	Sailer	Westerberg
Davnie	Hackbarth	Knoblach	Nelson, M.	Samuelson	Westrom
Dean	Hamilton	Koenen	Nelson, P.	Scalze	Wilkin
DeLaForest	Hansen	Kohls	Newman	Seifert	Zellers
Demmer	Hausman	Krinkie	Nornes	Sertich	Spk. Sviggum
Dempsey	Heidgerken	Lanning	Olson	Sieben	

A quorum was present.

Abeler was excused until 10:05 a.m. Dorman was excused until 10:55 a.m. Severson was excused until 12:30 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Meslow moved that further reading of the Journal be suspended and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

## REPORTS OF CHIEF CLERK

S. F. No. 232 and H. F. No. 615, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

## SUSPENSION OF RULES

Klinzing moved that the rules be so far suspended that S. F. No. 232 be substituted for H. F. No. 615 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 953 and H. F. No. 995, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

## SUSPENSION OF RULES

Erhardt moved that the rules be so far suspended that S. F. No. 953 be substituted for H. F. No. 995 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1204 and H. F. No. 1161, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

## SUSPENSION OF RULES

Huntley moved that the rules be so far suspended that S. F. No. 1204 be substituted for H. F. No. 1161 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1604 and H. F. No. 1730, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Beard moved that S. F. No. 1604 be substituted for H. F. No. 1730 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1772 and H. F. No. 1937, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

## SUSPENSION OF RULES

McNamara moved that the rules be so far suspended that S. F. No. 1772 be substituted for H. F. No. 1937 and that the House File be indefinitely postponed. The motion prevailed.

## REPORTS OF STANDING COMMITTEES

Knoblach from the Committee on Ways and Means to which was referred:

H. F. No. 2243, A bill for an act relating to state government; creating the Office of Technology as a state agency; assigning duties; providing for a chief information officer; appropriating money; amending Minnesota Statutes 2004, sections 15.06, subdivision 1; 16B.04, subdivision 2; 16B.48, subdivisions 4, 5; 16E.01, subdivisions 1, 3; 16E.02; 16E.03, subdivisions 1, 2, 3, 7; 16E.04; 16E.0465, subdivisions 1, 2; 16E.055; 16E.07, subdivision 8; 43A.08, subdivision 1a; 204B.14, subdivision 5; 299C.65, subdivisions 1, 2; 403.36, subdivision 1; 414.01, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 16E; 414; repealing Minnesota Statutes 2004, sections 16B.48, subdivision 3; 16E.0465, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2004, section 10A.01, subdivision 35, is amended to read:

Subd. 35. [PUBLIC OFFICIAL.] "Public official" means any:

- (1) member of the legislature;
- (2) individual employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house, revisor of statutes, or researcher, legislative analyst, or attorney in the Office of Senate Counsel and Research or House Research;
- (3) constitutional officer in the executive branch and the officer's chief administrative deputy;
- (4) solicitor general or deputy, assistant, or special assistant attorney general;
- (5) commissioner, deputy commissioner, or assistant commissioner of any state department or agency as listed in section 15.01 or 15.06, or the state chief information officer;
- (6) member, chief administrative officer, or deputy chief administrative officer of a state board or commission that has either the power to adopt, amend, or repeal rules under chapter 14, or the power to adjudicate contested cases or appeals under chapter 14;
- (7) individual employed in the executive branch who is authorized to adopt, amend, or repeal rules under chapter 14 or adjudicate contested cases under chapter 14;
- (8) executive director of the State Board of Investment;
- (9) deputy of any official listed in clauses (7) and (8);
- (10) judge of the Workers' Compensation Court of Appeals;
- (11) administrative law judge or compensation judge in the State Office of Administrative Hearings or referee in the Department of Employment and Economic Development;

(12) member, regional administrator, division director, general counsel, or operations manager of the metropolitan council;

(13) member or chief administrator of a metropolitan agency;

(14) director of the Division of Alcohol and Gambling Enforcement in the Department of Public Safety;

(15) member or executive director of the Higher Education Facilities Authority;

(16) member of the board of directors or president of Minnesota Technology, Inc.; or

(17) member of the board of directors or executive director of the Minnesota State High School League.

Sec. 2. Minnesota Statutes 2004, section 15.06, is amended by adding a subdivision to read:

Subd. 1a. [APPLICATION TO OFFICE OF ENTERPRISE TECHNOLOGY.] For the purposes of this section, references to "commissioner" include the chief information officer of the Office of Enterprise Technology.

Sec. 3. Minnesota Statutes 2004, section 16B.04, subdivision 2, is amended to read:

Subd. 2. [POWERS AND DUTIES, GENERAL.] Subject to other provisions of this chapter, the commissioner is authorized to:

(1) supervise, control, review, and approve all state contracts and purchasing;

(2) provide agencies with supplies and equipment and operate all central store or supply rooms serving more than one agency;

~~(3) approve all computer plans and contracts, and oversee the state's data processing system;~~

~~(4) investigate and study the management and organization of agencies, and reorganize them when necessary to ensure their effective and efficient operation;~~

~~(5) (4) manage and control state property, real and personal;~~

~~(6) (5) maintain and operate all state buildings, as described in section 16B.24, subdivision 1;~~

~~(7) (6) supervise, control, review, and approve all capital improvements to state buildings and the capitol building and grounds;~~

~~(8) (7) provide central duplicating, printing, and mail facilities;~~

~~(9) (8) oversee publication of official documents and provide for their sale;~~

~~(10) (9) manage and operate parking facilities for state employees and a central motor pool for travel on state business;~~

~~(11) (10) establish and administer a State Building Code; and~~

(12) (11) provide rental space within the capitol complex for a private day care center for children of state employees. The commissioner shall contract for services as provided in this chapter. The commissioner shall report back to the legislature by October 1, 1984, with the recommendation to implement the private day care operation.

Sec. 4. Minnesota Statutes 2004, section 16B.48, subdivision 4, is amended to read:

Subd. 4. [REIMBURSEMENTS.] Except as specifically provided otherwise by law, each agency shall reimburse ~~intertechnologies and the~~ general services revolving funds for the cost of all services, supplies, materials, labor, and depreciation of equipment, including reasonable overhead costs, which the commissioner is authorized and directed to furnish an agency. The cost of all publications or other materials produced by the commissioner and financed from the general services revolving fund must include reasonable overhead costs. The commissioner of administration shall report the rates to be charged for ~~each the general services revolving fund funds~~ no later than July 1 each year to the chair of the committee or division in the senate and house of representatives with primary jurisdiction over the budget of the Department of Administration. The commissioner of finance shall make appropriate transfers to the revolving funds described in this section when requested by the commissioner of administration. The commissioner of administration may make allotments, encumbrances, and, with the approval of the commissioner of finance, disbursements in anticipation of such transfers. In addition, the commissioner of administration, with the approval of the commissioner of finance, may require an agency to make advance payments to the revolving funds in this section sufficient to cover the agency's estimated obligation for a period of at least 60 days. All reimbursements and other money received by the commissioner of administration under this section must be deposited in the appropriate revolving fund. Any earnings remaining in the fund established to account for the documents service prescribed by section 16B.51 at the end of each fiscal year not otherwise needed for present or future operations, as determined by the commissioners of administration and finance, must be transferred to the general fund.

Sec. 5. Minnesota Statutes 2004, section 16B.48, subdivision 5, is amended to read:

Subd. 5. [LIQUIDATION.] If the ~~intertechnologies or~~ general services revolving ~~fund is~~ funds are abolished or liquidated, the total net profit from the operation of each fund must be distributed to the various funds from which purchases were made. The amount to be distributed to each fund must bear to the net profit the same ratio as the total purchases from each fund bears to the total purchases from all the funds during the same period of time.

Sec. 6. Minnesota Statutes 2004, section 16E.01, subdivision 1, is amended to read:

Subdivision 1. [~~PURPOSE~~ CREATION; CHIEF INFORMATION OFFICER.] The Office of Enterprise Technology, referred to in this chapter as the "office," is ~~under the supervision of the commissioner of administration~~ an agency in the executive branch headed by the state chief information officer. The appointment of the chief information officer is subject to the advice and consent of the senate under section 15.066.

Subd. 1a. [RESPONSIBILITIES.] The office shall provide oversight, leadership, and direction for information and ~~communications~~ telecommunications technology policy and the management, delivery, and security of information and telecommunications technology systems and services in Minnesota. The office shall ~~coordinate~~ manage strategic investments in information and ~~communications~~ telecommunications technology systems and services to encourage the development of a technically literate society and, to ensure sufficient access to and efficient delivery of government services, and to maximize benefits for the state government as an enterprise.

Sec. 7. Minnesota Statutes 2004, section 16E.01, subdivision 3, is amended to read:

Subd. 3. [DUTIES.] (a) The office shall:

(1) ~~coordinate~~ manage the efficient and effective use of available federal, state, local, and ~~private~~ public-private resources to develop statewide information and ~~communications~~ telecommunications technology systems and services and its infrastructure;

(2) ~~review~~ approve state agency and intergovernmental information and ~~communications~~ telecommunications technology systems and services development efforts involving state or intergovernmental funding, including federal funding, provide information to the legislature regarding projects reviewed, and recommend projects for inclusion in the governor's budget under section 16A.11;

(3) ~~encourage~~ ensure cooperation and collaboration among state and local governments in developing intergovernmental ~~communication~~ and information and telecommunications technology systems and services, and define the structure and responsibilities of ~~the Information Policy Council~~ a representative governance structure;

(4) cooperate and collaborate with the legislative and judicial branches in the development of information and communications systems in those branches;

(5) continue the development of North Star, the state's official comprehensive on-line service and information initiative;

(6) promote and collaborate with the state's agencies in the state's transition to an effectively competitive telecommunications market;

(7) collaborate with entities carrying out education and lifelong learning initiatives to assist Minnesotans in developing technical literacy and obtaining access to ongoing learning resources;

(8) promote and coordinate public information access and network initiatives, consistent with chapter 13, to connect Minnesota's citizens and communities to each other, to their governments, and to the world;

(9) promote and coordinate electronic commerce initiatives to ensure that Minnesota businesses and citizens can successfully compete in the global economy;

(10) manage and promote ~~and coordinate~~ the regular and periodic reinvestment in the ~~core~~ information ~~communications~~ and telecommunications technology systems and services infrastructure so that state and local government agencies can effectively and efficiently serve their customers;

(11) facilitate the cooperative development of and ensure compliance with standards and policies for information and telecommunications technology systems and services, electronic data practices and privacy, and electronic commerce among international, national, state, and local public and private organizations; ~~and~~

(12) ~~work with others to avoid~~ eliminate unnecessary duplication of existing information and telecommunications technology systems and services provided by other public and private organizations while building on the existing governmental, educational, business, health care, and economic development infrastructures;

(13) identify, sponsor, develop, and execute shared information and telecommunications technology projects and ongoing operations; and

(14) ensure overall security of the state's information and technology systems and services.

(b) The ~~commissioner of administration~~ chief information officer in consultation with the commissioner of finance ~~may must~~ determine ~~that when~~ it is cost-effective for agencies to develop and use shared information and ~~communications~~ telecommunications technology systems and services for the delivery of electronic government services. ~~This determination may be made if an agency proposes a new system that duplicates an existing system, a system in development, or a system being proposed by another agency.~~ The ~~commissioner of administration~~ chief information officer may require agencies to use shared information and telecommunications technology systems and services. The chief information officer shall establish reimbursement rates in cooperation with the commissioner of finance to be billed to agencies and other governmental entities sufficient to cover the actual development, operating, maintenance, and administrative costs of the shared systems. The methodology for billing may include the use of interagency agreements, or other means as allowed by law.

Sec. 8. Minnesota Statutes 2004, section 16E.02, is amended to read:

16E.02 [OFFICE OF ENTERPRISE TECHNOLOGY; STRUCTURE AND PERSONNEL.]

Subdivision 1. [OFFICE MANAGEMENT AND STRUCTURE.] (a) The ~~commissioner of administration~~ chief information officer is appointed by the governor. The chief information officer serves in the unclassified service at the pleasure of the governor. The chief information officer must have experience leading enterprise-level information technology organizations. The chief information officer is the state's chief information officer and information and telecommunications technology advisor to the governor.

(b) The chief information officer may appoint other employees of the office. The staff of the office must include individuals knowledgeable in information and ~~communications~~ telecommunications technology systems and services and individuals with specialized training in information security.

Subd. 1a. [ACCOUNTABILITY.] The chief information officer reports to the governor. The chief information officer must consult regularly with the commissioner of administration, finance, human services, revenue, and other commissioners designated by the governor, on technology projects, standards, and services as well as management of resources and staff utilization.

Subd. 2. [INTERGOVERNMENTAL PARTICIPATION.] The ~~commissioner of administration~~ chief information officer or the ~~commissioner's chief information officer's~~ designee shall serve as a member of ~~the Minnesota Education Telecommunications Council,~~ the Geographic Information Systems Council; and the Library Planning Task Force; or their respective successor organizations; and as a nonvoting member of ~~Minnesota Technology, Inc. and the Minnesota Health Data Institute as a nonvoting member.~~

Subd. 3. [ADMINISTRATIVE SUPPORT.] The commissioner of administration must provide office space and administrative support services to the office. The office must reimburse the commissioner for these services.

Sec. 9. Minnesota Statutes 2004, section 16E.03, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purposes of ~~sections 16E.03 to 16E.05~~ chapter 16E, the following terms have the meanings given them.

(a) "Information and telecommunications technology systems and services" means all computing and telecommunications hardware and software, the activities undertaken to secure that hardware and software, and the activities undertaken to acquire, transport, process, analyze, store, and disseminate information electronically. "Information and telecommunications technology systems and services" includes all proposed expenditures for computing and telecommunications hardware and software, security for that hardware and software, and related consulting or other professional services.

(a) ~~(b)~~ "Information and ~~communications~~ telecommunications technology project" means ~~the development or acquisition of information and communications technology devices and systems, but does not include the state information infrastructure or its contractors.~~

~~(b) "Data processing device or system" means equipment or computer programs, including computer hardware, firmware, software, and communication protocols, used in connection with the processing of information through electronic data processing means, and includes data communication devices used in connection with computer facilities for the transmission of data. an effort to acquire or produce information and telecommunications technology systems and services.~~

(c) "Telecommunications" means voice, video, and data electronic transmissions transported by wire, wireless, fiber-optic, radio, or other available transport technology.

(d) "Cyber security" means the protection of data and systems in networks connected to the Internet.

~~(e)~~ (e) "State agency" means an agency in the executive branch of state government and includes the Minnesota Higher Education Services Office, but does not include the Minnesota State Colleges and Universities unless specifically provided elsewhere in this chapter.

Sec. 10. Minnesota Statutes 2004, section 16E.03, subdivision 2, is amended to read:

Subd. 2. [~~COMMISSIONER'S CHIEF INFORMATION OFFICER RESPONSIBILITY.~~] The ~~commissioner~~ chief information officer shall coordinate the state's information and ~~communications~~ telecommunications technology systems and services to serve the needs of the state government. The ~~commissioner~~ chief information officer shall:

(1) ~~coordinate the~~ design of a master plan for information and ~~communications~~ telecommunications technology systems and services in the state and its political subdivisions and shall report on the plan to the governor and legislature at the beginning of each regular session;

(2) coordinate, review, and approve all information and ~~communications~~ telecommunications technology ~~plans and contracts~~ projects and oversee the state's information and ~~communications~~ telecommunications technology systems and services;

(3) establish and enforce compliance with standards for information and ~~communications~~ telecommunications technology systems and services that ~~encourage competition~~ are cost-effective and support open systems environments and that are compatible with state, national, and international standards; and

(4) maintain a library of systems and programs developed by the state and its political subdivisions for use by agencies of government;

(5) direct and manage the shared operations of the state's information and telecommunications technology systems and services; and

(6) establish and enforce standards and ensure acquisition of hardware and software necessary to protect data and systems in state agency networks connected to the Internet.

Sec. 11. Minnesota Statutes 2004, section 16E.03, subdivision 3, is amended to read:

Subd. 3. [EVALUATION AND APPROVAL.] A state agency may not undertake an information and ~~communications~~ telecommunications technology project until it has been evaluated according to the procedures developed under subdivision 4. The ~~governor or governor's designee~~ chief information officer shall give written approval of the proposed project. ~~If the proposed project is not approved~~ When notified by the chief information officer that a project has not been approved, the commissioner of finance shall cancel the unencumbered balance of any appropriation allotted for the project. ~~This subdivision does not apply to acquisitions or development of information and communications systems that have anticipated total cost of less than \$100,000. The Minnesota State Colleges and Universities shall submit for approval any project related to acquisitions or development of information and communications systems that has a total anticipated cost of more than \$250,000.~~

Sec. 12. Minnesota Statutes 2004, section 16E.03, subdivision 7, is amended to read:

Subd. 7. [~~DATA~~ CYBER SECURITY SYSTEMS.] In consultation with the attorney general and appropriate agency heads, the ~~commissioner~~ chief information officer shall develop data cyber security policies, guidelines, and standards, and the ~~commissioner of administration~~ shall install and administer state data security systems on the state's ~~centralized~~ computer facility facilities consistent with these policies, guidelines, standards, and state law to ensure the integrity of computer-based and other data and to ensure applicable limitations on access to data, consistent with the public's right to know as defined in chapter 13. The chief information officer is responsible for overall security of state agency networks connected to the Internet. Each department or agency head is responsible for the security of the department's or agency's data within the guidelines of established enterprise policy.

Sec. 13. Minnesota Statutes 2004, section 16E.04, is amended to read:

16E.04 [INFORMATION AND ~~COMMUNICATIONS~~ TELECOMMUNICATIONS TECHNOLOGY POLICY.]

Subdivision 1. [DEVELOPMENT.] The office shall ~~coordinate with state agencies in developing and establishing~~ develop, establish, and enforce policies and standards for state agencies to follow in developing and purchasing information and ~~communications~~ telecommunications technology systems and services and training appropriate persons in their use. The office shall develop, promote, and ~~coordinate~~ manage state technology, architecture, standards and guidelines, information needs analysis techniques, contracts for the purchase of equipment and services, and training of state agency personnel on these issues.

Subd. 2. [RESPONSIBILITIES.] (a) In addition to other activities prescribed by law, the office shall carry out the duties set out in this subdivision.

(b) The office shall develop and establish a state information architecture to ensure that ~~further~~ state agency development and purchase of information and communications systems, equipment, and services is designed to ensure that individual agency information systems complement and do not needlessly duplicate or conflict with the systems of other agencies. When state agencies have need for the same or similar public data, the ~~commissioner~~ chief information officer, in coordination with the affected agencies, shall ~~promote~~ manage the most efficient and cost-effective method of producing and storing data for or sharing data between those agencies. The development of this information architecture must include the establishment of standards and guidelines to be followed by state agencies. The office shall ensure compliance with the architecture.

(c) The office shall assist state agencies in the planning and management of information systems so that an individual information system reflects and supports the state agency's mission and the state's requirements and functions. The office shall review and approve agency technology plans to ensure consistency with enterprise information and telecommunications technology strategy.

(d) The office shall review and approve agency requests for ~~legislative appropriations~~ funding for the development or purchase of information systems equipment or software before the requests may be included in the governor's budget.

(e) The office shall review major purchases of information systems equipment to:

(1) ensure that the equipment follows the standards and guidelines of the state information architecture;

(2) ensure ~~that the equipment is consistent with the information management principles adopted by the Information Policy Council;~~

~~(3) evaluate whether~~ the agency's proposed purchase reflects a cost-effective policy regarding volume purchasing; and

~~(4)~~ (3) ensure that the equipment is consistent with other systems in other state agencies so that data can be shared among agencies, unless the office determines that the agency purchasing the equipment has special needs justifying the inconsistency.

(f) The office shall review the operation of information systems by state agencies and ~~provide advice and assistance to~~ ensure that these systems are operated efficiently and securely and continually meet the standards and guidelines established by the office. The standards and guidelines must emphasize uniformity that is cost-effective for the enterprise, that encourages information interchange, open systems environments, and portability of information whenever practicable and consistent with an agency's authority and chapter 13.

(g) The office shall conduct a comprehensive review at least every three years of the information systems investments that have been made by state agencies and higher education institutions. The review must include recommendations on any information systems applications that could be provided in a more cost-beneficial manner by an outside source. The office must report the results of its review to the legislature and the governor.

Subd. 3. [RISK ASSESSMENT AND MITIGATION.] (a) A risk assessment and risk mitigation plan are required for ~~an~~ all information systems development ~~project estimated to cost more than \$1,000,000 that is~~ projects undertaken by a state agency in the executive or judicial branch or by a constitutional officer. The ~~commissioner of administration~~ chief information officer must contract with an entity outside of state government to conduct the initial assessment and prepare the mitigation plan for a project estimated to cost more than \$5,000,000. The outside entity conducting the risk assessment and preparing the mitigation plan must not have any other direct or indirect financial interest in the project. The risk assessment and risk mitigation plan must provide for periodic monitoring by the commissioner until the project is completed.

(b) The risk assessment and risk mitigation plan must be paid for with money appropriated for the ~~information systems development and telecommunications technology~~ project. The chief information officer must notify the commissioner of finance when work has begun on a project and must identify the proposed budget for the project. The commissioner of finance shall ensure that no more than ten percent of the ~~amount anticipated to proposed~~ budget be spent on the project, other than the money spent on the risk assessment and risk mitigation plan, ~~may be~~ is spent until the risk assessment and mitigation plan are reported to the ~~commissioner of administration~~ chief information officer and the ~~commissioner~~ chief information officer has approved the risk mitigation plan.

Sec. 14. Minnesota Statutes 2004, section 16E.0465, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] This section applies to an appropriation of more than \$1,000,000 of state or federal funds to a state agency for any information and ~~communications~~ telecommunications technology project ~~or data processing device or system~~ or for any phase of such a project, device, or system. For purposes of this section, an appropriation of state or federal funds to a state agency includes an appropriation:

- (1) ~~to the Minnesota State Colleges and Universities;~~
- (~~2~~) to a constitutional officer;
- (~~3~~) (2) for a project that includes both a state agency and units of local government; and
- (~~4~~) (3) to a state agency for grants to be made to other entities.

Sec. 15. Minnesota Statutes 2004, section 16E.0465, subdivision 2, is amended to read:

Subd. 2. [REQUIRED REVIEW AND APPROVAL.] (a) A state agency receiving an appropriation for an information and ~~communications~~ telecommunications technology project ~~or data processing device or system~~ subject to this section must divide the project into phases.

(b) The commissioner of finance may not authorize the encumbrance or expenditure of an appropriation of state funds to a state agency for any phase of a project, device, or system subject to this section unless the Office of Enterprise Technology has reviewed each phase of the project, device, or system, and based on this review, the ~~commissioner of administration~~ chief information officer has determined for each phase that:

- (1) the project is compatible with the state information architecture and other policies and standards established by the ~~commissioner of administration~~ chief information officer; ~~and~~
- (2) the agency is able to accomplish the goals of the phase of the project with the funds appropriated; and
- (3) the project supports the enterprise information technology strategy.

Sec. 16. Minnesota Statutes 2004, section 16E.055, is amended to read:

16E.055 [~~COMMON WEB FORMAT~~ ELECTRONIC GOVERNMENT SERVICES.]

A state agency that implements electronic government services for fees, licenses, sales, or other purposes must use a ~~common Web page format approved by the commissioner of administration for those electronic government services.~~ The commissioner may create a the single entry site created by the chief information officer for all agencies to use for electronic government services.

Sec. 17. Minnesota Statutes 2004, section 16E.07, subdivision 8, is amended to read:

Subd. 8. [SECURE TRANSACTION SYSTEM.] The office shall plan and develop a secure transaction system to support delivery of government services electronically. A state agency that implements electronic government services for fees, licenses, sales, or other purposes must use the secure transaction system developed in accordance with this section.

Sec. 18. [16E.14] [ENTERPRISE TECHNOLOGY REVOLVING FUND.]

Subdivision 1. [CREATION.] The enterprise technology revolving fund is created in the state treasury.

Subd. 2. [APPROPRIATION AND USES OF FUND.] Money in the enterprise technology revolving fund is appropriated annually to the chief information officer to operate information and telecommunications services, including management, consultation, and design services.

Subd. 3. [REIMBURSEMENTS.] Except as specifically provided otherwise by law, each agency shall reimburse the enterprise technology revolving fund for the cost of all services, supplies, materials, labor, and depreciation of equipment, including reasonable overhead costs, which the chief information officer is authorized and directed to furnish an agency. The chief information officer shall report the rates to be charged for the revolving fund no later than July 1 each year to the chair of the committee or division in the senate and house of representatives with primary jurisdiction over the budget of the Office of Enterprise Technology.

Subd. 4. [CASH FLOW.] The commissioner of finance shall make appropriate transfers to the revolving fund when requested by the chief information officer. The chief information officer may make allotments and encumbrances in anticipation of such transfers. In addition, the chief information officer, with the approval of the commissioner of finance, may require an agency to make advance payments to the revolving fund sufficient to cover the office's estimated obligation for a period of at least 60 days. All reimbursements and other money received by the chief information officer under this section must be deposited in the enterprise technology revolving fund.

Subd. 5. [LIQUIDATION.] If the enterprise technology revolving fund is abolished or liquidated, the total net profit from the operation of the fund must be distributed to the various funds from which purchases were made. The amount to be distributed to each fund must bear to the net profit the same ratio as the total purchases from each fund bears to the total purchases from all the funds during the same period of time.

Sec. 19. Minnesota Statutes 2004, section 299C.65, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP, DUTIES.] (a) The Criminal and Juvenile Justice Information Policy Group consists of the commissioner of corrections, the commissioner of public safety, the ~~commissioner of administration~~ state chief information officer, the commissioner of finance, and four members of the judicial branch appointed by the chief justice of the Supreme Court. The policy group may appoint additional, nonvoting members as necessary from time to time.

(b) The commissioner of public safety is designated as the chair of the policy group. The commissioner and the policy group have overall responsibility for the successful completion of statewide criminal justice information system integration (CriMNet). The policy group may hire a program manager to manage the CriMNet projects and to be responsible for the day-to-day operations of CriMNet. The policy group must ensure that generally accepted project management techniques are utilized for each CriMNet project, including:

- (1) clear sponsorship;
- (2) scope management;
- (3) project planning, control, and execution;
- (4) continuous risk assessment and mitigation;
- (5) cost management;

(6) quality management reviews;

(7) communications management; and

(8) proven methodology.

(c) Products and services for CriMNet project management, system design, implementation, and application hosting must be acquired using an appropriate procurement process, which includes:

(1) a determination of required products and services;

(2) a request for proposal development and identification of potential sources;

(3) competitive bid solicitation, evaluation, and selection; and

(4) contract administration and close-out.

(d) The policy group shall study and make recommendations to the governor, the Supreme Court, and the legislature on:

(1) a framework for integrated criminal justice information systems, including the development and maintenance of a community data model for state, county, and local criminal justice information;

(2) the responsibilities of each entity within the criminal and juvenile justice systems concerning the collection, maintenance, dissemination, and sharing of criminal justice information with one another;

(3) actions necessary to ensure that information maintained in the criminal justice information systems is accurate and up-to-date;

(4) the development of an information system containing criminal justice information on gross misdemeanor-level and felony-level juvenile offenders that is part of the integrated criminal justice information system framework;

(5) the development of an information system containing criminal justice information on misdemeanor arrests, prosecutions, and convictions that is part of the integrated criminal justice information system framework;

(6) comprehensive training programs and requirements for all individuals in criminal justice agencies to ensure the quality and accuracy of information in those systems;

(7) continuing education requirements for individuals in criminal justice agencies who are responsible for the collection, maintenance, dissemination, and sharing of criminal justice data;

(8) a periodic audit process to ensure the quality and accuracy of information contained in the criminal justice information systems;

(9) the equipment, training, and funding needs of the state and local agencies that participate in the criminal justice information systems;

(10) the impact of integrated criminal justice information systems on individual privacy rights;

(11) the impact of proposed legislation on the criminal justice system, including any fiscal impact, need for training, changes in information systems, and changes in processes;

(12) the collection of data on race and ethnicity in criminal justice information systems;

(13) the development of a tracking system for domestic abuse orders for protection;

(14) processes for expungement, correction of inaccurate records, destruction of records, and other matters relating to the privacy interests of individuals; and

(15) the development of a database for extended jurisdiction juvenile records and whether the records should be public or private and how long they should be retained.

Sec. 20. Minnesota Statutes 2004, section 299C.65, subdivision 2, is amended to read:

Subd. 2. [REPORT, TASK FORCE.] (a) The policy group shall file an annual report with the governor, Supreme Court, and chairs and ranking minority members of the senate and house committees and divisions with jurisdiction over criminal justice funding and policy by December 1 of each year.

(b) The report must make recommendations concerning any legislative changes or appropriations that are needed to ensure that the criminal justice information systems operate accurately and efficiently. To assist them in developing their recommendations, the policy group shall appoint a task force consisting of its members or their designees and the following additional members:

(1) the director of the Office of Strategic and Long-Range Planning;

(2) two sheriffs recommended by the Minnesota Sheriffs Association;

(3) two police chiefs recommended by the Minnesota Chiefs of Police Association;

(4) two county attorneys recommended by the Minnesota County Attorneys Association;

(5) two city attorneys recommended by the Minnesota League of Cities;

(6) two public defenders appointed by the Board of Public Defense;

(7) two district judges appointed by the Conference of Chief Judges, one of whom is currently assigned to the juvenile court;

(8) two community corrections administrators recommended by the Minnesota Association of Counties, one of whom represents a community corrections act county;

(9) two probation officers;

(10) four public members, one of whom has been a victim of crime, and two who are representatives of the private business community who have expertise in integrated information systems;

(11) two court administrators;

(12) one member of the house of representatives appointed by the speaker of the house;

- (13) one member of the senate appointed by the majority leader;
- (14) the attorney general or a designee;
- (15) the ~~commissioner of administration~~ state chief information officer or a designee;
- (16) an individual recommended by the Minnesota League of Cities; and
- (17) an individual recommended by the Minnesota Association of Counties.

In making these appointments, the appointing authority shall select members with expertise in integrated data systems or best practices.

(c) The commissioner of public safety may appoint additional, nonvoting members to the task force as necessary from time to time.

Sec. 21. Minnesota Statutes 2004, section 403.36, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] (a) The commissioner of public safety shall convene and chair the Statewide Radio Board to develop a project plan for a statewide, shared, trunked public safety radio communication system. The system may be referred to as "Allied Radio Matrix for Emergency Response," or "ARMER."

(b) The board consists of the following members or their designees:

- (1) the commissioner of public safety;
- (2) the commissioner of transportation;
- (3) the ~~commissioner of administration~~ state chief information officer;
- (4) the commissioner of natural resources;
- (5) the chief of the Minnesota State Patrol;
- (6) the commissioner of health;
- (7) the commissioner of finance;
- (8) two elected city officials, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governing body of the League of Minnesota Cities;
- (9) two elected county officials, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governing body of the Association of Minnesota Counties;
- (10) two sheriffs, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governing body of the Minnesota Sheriffs' Association;
- (11) two chiefs of police, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governor after considering recommendations made by the Minnesota Chiefs' of Police Association;

(12) two fire chiefs, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governor after considering recommendations made by the Minnesota Fire Chiefs' Association;

(13) two representatives of emergency medical service providers, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governor after considering recommendations made by the Minnesota Ambulance Association;

(14) the chair of the Metropolitan Radio Board; and

(15) a representative of Greater Minnesota elected by those units of government in phase three and any subsequent phase of development as defined in the statewide, shared radio and communication plan, who have submitted a plan to the Statewide Radio Board and where development has been initiated.

(c) The Statewide Radio Board shall coordinate the appointment of board members representing Greater Minnesota with the appointing authorities and may designate the geographic region or regions from which an appointed board member is selected where necessary to provide representation from throughout the state.

Sec. 22. [TRANSFER OF DUTIES.]

Responsibilities of the commissioner of administration for state telecommunications systems, state information infrastructure, and electronic conduct of state business under Minnesota Statutes, sections 16B.405; 16B.44; 16B.46; 16B.465; 16B.466; and 16B.467, are transferred to the Office of Enterprise Technology. All positions in the Office of Technology and the Intertechnologies Group are transferred to the Office of Enterprise Technology. Minnesota Statutes, section 15.039, applies to the transfer of responsibilities in this section.

Sec. 23. [REVISOR INSTRUCTION.]

In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall:

(1) substitute the term "chief information officer" for "commissioner" and "commissioner of administration" in the following sections: 16B.405; 16B.44; 16B.46; 16B.465; 16B.466; 16B.467; 16E.03, subdivisions 4, 5, 6, and 8; 16E.035; and 16E.07, subdivision 4;

(2) substitute the term "Office of Enterprise Technology" for the term "Office of Technology"; and

(3) recodify the following sections into chapter 16E: 16B.405; 16B.44; 16B.46; 16B.465; 16B.466; and 16B.467.

Sec. 24. [REPEALER.]

Minnesota Statutes 2004, sections 16B.48, subdivision 3; and 16E.0465, subdivision 3, are repealed.

Sec. 25. [EFFECTIVE DATE.]

Sections 1 to 24 are effective July 1, 2005."

Delete the title and insert:

"A bill for an act relating to state government; creating the Office of Enterprise Technology; providing for a chief information officer; appropriating money; amending Minnesota Statutes 2004, sections 10A.01, subdivision 35; 15.06, by adding a subdivision; 16B.04, subdivision 2; 16B.48, subdivisions 4, 5; 16E.01, subdivisions 1, 3;

16E.02; 16E.03, subdivisions 1, 2, 3, 7; 16E.04; 16E.0465, subdivisions 1, 2; 16E.055; 16E.07, subdivision 8; 299C.65, subdivisions 1, 2; 403.36, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 16E; repealing Minnesota Statutes 2004, sections 16B.48, subdivision 3; 16E.0465, subdivision 3."

With the recommendation that when so amended the bill pass.

The report was adopted.

Knoblach from the Committee on Ways and Means to which was referred:

S. F. No. 427, A bill for an act relating to retirement; various public pension plans; clarifying and revising various plan provisions; eliminating obsolete provisions; defining final average salary; modifying the definition of allowable service to include time on strike; permitting judges to purchase service credit for an authorized leave; requiring specified payments; clarifying references to actuarial services in determining actuarial equivalence; defining covered salary to include certain employer contributions to supplemental retirement plans; specifying itemized detail of plan administrative expenses in annual financial reporting; excluding police officers of the University of Minnesota from the public employees police and fire fund; clarifying collection procedures relating to charter schools; adding a uniform nonassignment and legal process exemption provision; adding employees of Bridges Medical Services, Hutchinson Area Health Care, and Northfield Hospital to privatization coverage; extending date for filing special law approval with the secretary of state for the RenVilla Nursing Home; requiring the privatization periodic filing of updated copies of articles of incorporation and bylaws; modifying a higher education individual retirement account plan investment option provision; implementing the recommendations of the Volunteer Firefighter Relief Association working group of the state auditor; modifying the trigger date for filing financial reports; revising the per firefighter financing requirements for monthly benefit service pensions; modifying the options for crediting interest on deferred service pensions; clarifying the deferred service pension options available to defined contribution plans; providing for the crediting of service during military service leaves; requiring the amortization of experience losses; clarifying the compliance requirements for the qualification for fire state aid; modifying a limit on mutual fund investments; clarifying corporate stock and exchange-traded funds investment authority; modifying the municipal representation requirements on relief association governing boards; clarifying exemptions from process and taxation; providing that certain laws do not apply to the consolidation of specified volunteer firefighter relief associations; providing an ad hoc postretirement adjustment to Eveleth police and fire trust fund benefit recipients; authorizing the Maplewood Firefighters Relief Association to transfer assets to the Oakdale Firefighters Relief Association to cover service credits earned by certain individuals; appropriating money; amending Minnesota Statutes 2004, sections 3A.01, subdivisions 1, 2, 6, 8, by adding subdivisions; 3A.011; 3A.02, subdivisions 1, 1b, 3, 4, 5; 3A.03, subdivisions 1, 2; 3A.04, subdivisions 1, 2, 3, 4, by adding a subdivision; 3A.05; 3A.07; 3A.10, subdivision 1; 3A.12; 3A.13; 43A.17, subdivision 9; 69.011, subdivision 2b, by adding a subdivision; 69.021, subdivisions 5, 11; 69.051, subdivisions 1, 1a; 69.33; 69.771; 69.772, subdivisions 3, 4; 69.773, subdivisions 4, 5; 69.775; 352.01, subdivisions 2a, 4, 5, 12, 21, 23, by adding a subdivision; 352.021, subdivisions 1, 2, 3, 4; 352.04, subdivisions 1, 12; 352.041, subdivisions 1, 2, 3, 5; 352.115, subdivisions 2, 3; 352.15, subdivisions 1, 3, 4; 352.22, subdivision 10; 352.87, subdivision 3; 352.91, by adding a subdivision; 352.93, subdivision 1; 352B.01, subdivisions 1, 2, 3; 352B.02, subdivision 1e; 352B.071; 352C.021, by adding a subdivision; 352C.091, subdivision 1; 352C.10; 352D.01; 352D.015, subdivisions 3, 4; 352D.02, subdivision 1; 352D.03; 352D.05, subdivision 4; 352D.085, subdivision 1; 352D.09, subdivision 5; 352D.12; 353.01, subdivisions 6, 10, 14, 32, 33, by adding a subdivision; 353.025; 353.026; 353.027; 353.028; 353.14; 353.15, subdivisions 1, 3; 353.27, subdivision 11; 353.271; 353.28, subdivisions 5, 6; 353.29, subdivision 3; 353.31, subdivision 1c; 353.32, subdivision 9; 353.33, subdivisions 3, 12; 353.64, by adding a subdivision; 353.651, subdivision 3; 353.656, subdivision 1; 353F.02, subdivision 4; 354.05, subdivision 7, by adding a subdivision; 354.091; 354.094, subdivision 1; 354.10, subdivisions 1, 3, 4; 354.33, subdivision 5; 354.39; 354.41, subdivision 2; 354.42, by adding

a subdivision; 354.44, subdivisions 2, 6; 354A.011, subdivision 3a, by adding a subdivision; 354A.021, subdivision 5, by adding a subdivision; 354A.097, subdivision 1; 354A.31, subdivisions 4, 4a, 5; 354B.21, subdivisions 2, 3; 354B.25, subdivision 2; 355.01, subdivision 3e; 356.20, subdivision 4; 356.215, subdivision 8; 356.216; 356.24, subdivision 1; 356.47, subdivision 3; 356.551; 356.65, subdivision 2; 356A.06, subdivision 7; 383B.46, subdivision 2; 383B.47; 383B.48; 383B.49; 422A.01, subdivisions 6, 11, by adding a subdivision; 422A.05, subdivision 2c; 422A.06, subdivisions 3, 5, 7, 8; 422A.10, subdivisions 1, 2; 422A.101, subdivision 3; 422A.15, subdivision 1; 422A.16, subdivision 9; 422A.22, subdivisions 1, 3, 4, 6; 422A.231; 422A.24; 423B.09, subdivision 1; 423B.17; 423C.05, subdivision 2; 423C.09; 424A.02, subdivisions 3, 4, 7; 424A.04, subdivision 1; 424B.10, subdivision 1; 471A.10; 490.121, subdivisions 1, 4, 6, 7, 13, 14, 15, 20, 21, 22, by adding subdivisions; 490.122; 490.123, subdivisions 1, 1a, 1b, 1c, 2, 3; 490.124, subdivisions 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 13; 490.125, subdivisions 1, 2; 490.126; 490.133; 525.05; Laws 1999, chapter 222, article 16, section 16, as amended; Laws 2000, chapter 461, article 4, section 4, as amended; Laws 2004, chapter 267, article 12, section 4; proposing coding for new law in Minnesota Statutes, chapters 352C; 356; 383B; 423C; 424A; proposing coding for new law as Minnesota Statutes, chapter 490A; repealing Minnesota Statutes 2004, sections 3A.01, subdivisions 3, 4, 6a, 7; 3A.02, subdivision 2; 3A.04, subdivision 1a; 3A.09; 352.119, subdivision 1; 352.15, subdivision 1a; 352C.01; 352C.011; 352C.021; 352C.031, subdivision 3; 352C.033; 352C.04; 352C.051; 352C.09; 352C.091, subdivisions 2, 3; 353.15, subdivision 2; 353.29, subdivision 2; 353.34, subdivision 3b; 353.36, subdivisions 2, 2a, 2b, 2c; 353.46, subdivision 4; 353.651, subdivision 2; 353.663; 353.74; 353.75; 354.10, subdivision 2; 354.59; 422A.101, subdivision 4; 422A.22, subdivisions 2, 5; 422A.221; 490.021; 490.025; 490.101; 490.102; 490.103; 490.105; 490.106; 490.107; 490.108; 490.109; 490.1091; 490.12; 490.121, subdivisions 2, 3, 5, 8, 9, 10, 11, 12, 16, 17, 18, 19, 20; 490.124, subdivision 6; 490.132; 490.15; 490.16; 490.18.

Reported the same back with the following amendments to the unofficial engrossment:

Page 40, after line 24, insert:

"Section 1. Minnesota Statutes 2004, section 352.01, subdivision 13, is amended to read:

Subd. 13. [SALARY.] (a) Subject to the limitations of section 356.611, "salary" means wages, or other periodic compensation, paid to an employee before deductions for deferred compensation, supplemental retirement plans, or other voluntary salary reduction programs.

(b) "Salary" does not include:

- (1) lump sum sick leave payments;
- (2) severance payments;
- (3) lump sum annual leave payments and overtime payments made at the time of separation from state service;
- (4) payments in lieu of any employer-paid group insurance coverage, including the difference between single and family rates that may be paid to an employee with single coverage;
- (5) payments made as an employer-paid fringe benefit;
- (6) workers' compensation payments;
- (7) employer contributions to a deferred compensation or tax sheltered annuity program; and
- (8) amounts contributed under a benevolent vacation and sick leave donation program.

(c) Amounts provided to an employee by the employer through a grievance proceeding or a legal settlement are salary only if the settlement is reviewed by the executive director and the amounts are determined by the executive director to be consistent with paragraph (a) and prior determinations."

Page 43, after line 18, insert:

"Sec. 7. Minnesota Statutes 2004, section 352B.01, subdivision 11, is amended to read:

Subd. 11. [AVERAGE MONTHLY SALARY.] (a) Subject to the limitations of section 356.611. "average monthly salary" means the average of the highest monthly salaries for five years of service as a member upon which contributions were deducted from pay under section 352B.02, or upon which appropriate contributions or payments were made to the fund to receive allowable service and salary credit as specified under the applicable law. Average monthly salary must be based upon all allowable service if this service is less than five years.

(b) "Average monthly salary" means the salary of the member as defined in section 352.01, subdivision 13. "Average monthly salary" does not include any lump-sum annual leave payments and overtime payments made at the time of separation from state service, any amounts of severance pay, or any reduced salary paid during the period the person is entitled to workers' compensation benefit payments for temporary disability.

(c) A member on leave of absence receiving temporary workers' compensation payments and a reduced salary or no salary from the employer who is entitled to allowable service credit for the period of absence may make payment to the fund for the difference between salary received, if any, and the salary the member would normally receive if not on leave of absence during the period. The member shall pay an amount equal to the member and employer contribution rate under section 352B.02, subdivisions 1b and 1c, on the differential salary amount for the period of the leave of absence. The employing department, at its option, may pay the employer amount on behalf of the member. Payment made under this subdivision must include interest at the rate of 8.5 percent per year, and must be completed within one year of the return from the leave of absence."

Page 43, line 28, after "(a)" insert "Subject to the limitations of section 356.611."

Page 48, after line 12, insert:

"Sec. 15. Minnesota Statutes 2004, section 353B.02, subdivision 10, is amended to read:

Subd. 10. [SALARY.] (a) "Salary" under this chapter is subject to the limitations of section 356.611.

(b) "Salary" for benefit computation and contribution purposes means the salary of a first class or first grade firefighter or patrol officer, whichever applies, for the former members of the following consolidating relief associations:

- (1) Anoka Police Relief Association;
- (2) Austin Firefighters Relief Association;
- (3) Austin Police Relief Association;
- (4) Columbia Heights Fire Department Relief Association, Paid Division;
- (5) Fairmont Police Benefit Association;
- (6) Faribault Fire Department Relief Association;

- (7) Mankato Fire Department Relief Association;
- (8) Minneapolis Fire Department Relief Association;
- (9) Minneapolis Police Relief Association;
- (10) Richfield Fire Department Relief Association;
- (11) Rochester Fire Department Relief Association;
- (12) Rochester Police Relief Association;
- (13) St. Cloud Fire Department Relief Association;
- (14) St. Cloud Police Relief Association;
- (15) St. Paul Fire Department Relief Association;
- (16) South St. Paul Firefighters Relief Association;
- (17) West St. Paul Firefighters Relief Association;
- (18) West St. Paul Police Relief Association; and
- (19) Winona Fire Department Relief Association.

~~(b)~~ (c) "Salary" for benefit computation purposes means the salary of a first grade patrol officer for the second month of the previous fiscal year and for contribution purposes means the current salary of a first grade patrol officer, for the former members of the following consolidating relief associations:

- (1) Bloomington Police Relief Association;
- (2) Crystal Police Relief Association;
- (3) Fridley Police Pension Association;
- (4) Richfield Police Relief Association;
- (5) St. Louis Park Police Relief Association; and
- (6) Winona Police Relief Association.

~~(c)~~ (d) "Salary" for benefit computation purposes means the final salary and for contribution purposes means the current salary for the former members of the following consolidating relief associations:

- (1) Albert Lea Firefighters Relief Association;
- (2) Albert Lea Police Relief Association;
- (3) Buhl Police Relief Association;

- (4) Chisholm Firefighters Relief Association;
- (5) Crookston Fire Department Relief Association;
- (6) Crookston Police Relief Association;
- (7) Faribault Police Benefit Association;
- (8) Red Wing Police Relief Association; and
- (9) Virginia Fire Department Relief Association.

~~(d)~~ (e) "Salary" for benefit computation purposes means the average earnings or salary for the final six months of employment before retirement and for contribution purposes means the current salary for the former members of the following consolidating relief associations:

- (1) Chisholm Police Relief Association;
- (2) Hibbing Firefighters Relief Association; and
- (3) Hibbing Police Relief Association.

~~(e)~~ (f) "Salary" for benefit computation purposes means the greater of the final salary at retirement or the highest salary of a patrol officer and for contribution purposes means the greater of the current salary or the current highest salary of a patrol officer for the former members of the following consolidating relief associations:

- (1) Brainerd Police Benefit Association; and
- (2) New Ulm Police Relief Association.

~~(f)~~ (g) "Salary" for benefit computation and contribution purposes means the following for the former members of the consolidating relief associations as indicated:

- (1) salary of a top grade patrol officer, including longevity pay and education incentive pay in an amount not to exceed \$235 per month, Columbia Heights Police Relief Association;
- (2) maximum pay of a firefighter, including overtime payments for a regular workweek of a firefighter mandated by the federal Fair Labor Standards Act of 1938, as amended, Duluth Firefighters Relief Association;
- (3) salary of a first class patrol officer with 16 years of service, Duluth Police Pension Association;
- (4) base salary for the rank currently held, plus longevity pay, pay for eligibility for next higher rank and pay for first aid care, Mankato Police Benefit Association;
- (5) average annual salary for highest three paid years for benefit computation purposes and current salary for contribution purposes, Red Wing Fire Department Relief Association;
- (6) pay of the highest grade full-time firefighter, St. Louis Park Fire Department Relief Association;
- (7) maximum monthly pay of a patrol officer, St. Paul Police Relief Association;

(8) prevailing base pay of rank held at retirement for benefit computation purposes and current salary for contribution purposes, South St. Paul Police Relief Association; and

(9) prevailing pay for rank held for at least six months before retirement for benefit computation purposes and current salary for contribution purposes, Virginia Police Relief Association."

Page 48, after line 23, insert:

"Sec. 17. Minnesota Statutes 2004, section 354.05, subdivision 35, is amended to read:

Subd. 35. [SALARY.] (a) Subject to the limitations of section 356.611, "salary" means the periodic compensation, upon which member contributions are required before deductions for deferred compensation, supplemental retirement plans, or other voluntary salary reduction programs.

(b) "Salary" does not mean:

(1) lump sum annual leave payments;

(2) lump sum wellness and sick leave payments;

(3) employer-paid amounts used by an employee toward the cost of insurance coverage, employer-paid fringe benefits, flexible spending accounts, cafeteria plans, health care expense accounts, day care expenses, or any payments in lieu of any employer-paid group insurance coverage, including the difference between single and family rates that may be paid to a member with single coverage and certain amounts determined by the executive director to be ineligible;

(4) any form of payment made in lieu of any other employer-paid fringe benefit or expense;

(5) any form of severance payments;

(6) workers' compensation payments;

(7) disability insurance payments, including self-insured disability payments;

(8) payments to school principals and all other administrators for services that are in addition to the normal work year contract if these additional services are performed on an extended duty day, Saturday, Sunday, holiday, annual leave day, sick leave day, or any other nonduty day;

(9) payments under section 356.24, subdivision 1, clause (4); and

(10) payments made under section 122A.40, subdivision 12, except for payments for sick leave that are accumulated under the provisions of a uniform school district policy that applies equally to all similarly situated persons in the district.

(c) Amounts provided to an employee by the employer through a grievance proceeding or a legal settlement are salary only if the settlement is reviewed by the executive director and the amounts are determined by the executive director to be consistent with paragraph (a) and prior determinations."

Page 51, after line 19, insert:

"Sec. 20. Minnesota Statutes 2004, section 354A.011, subdivision 24, is amended to read:

Subd. 24. [SALARY; COVERED SALARY.] (a) Subject to the limitations of section 356.611, "salary" or "covered salary" means the entire compensation, upon which member contributions are required and made, that is paid to a teacher before deductions for deferred compensation, supplemental retirement plans, or other voluntary salary reduction programs.

(b) "Salary" does not mean:

(1) lump sum annual leave payments;

(2) lump sum wellness and sick leave payments;

(3) employer-paid amounts used by an employee toward the cost of insurance coverage, employer-paid fringe benefits, flexible spending accounts, cafeteria plans, health care expense accounts, day care expenses, or any payments in lieu of any employer-paid group insurance coverage, including the difference between single and family rates that may be paid to a member with single coverage, and certain amounts determined by the executive secretary or director to be ineligible;

(4) any form of payment that is made in lieu of any other employer-paid fringe benefit or expense;

(5) any form of severance payments;

(6) workers' compensation payments;

(7) disability insurance payments, including self-insured disability payments;

(8) payments to school principals and all other administrators for services that are in addition to the normal work year contract if these additional services are performed on an extended duty day, Saturday, Sunday, holiday, annual leave day, sick leave day, or any other nonduty day;

(9) payments under section 356.24, subdivision 1, clause (4)(ii); and

(10) payments made under section 122A.40, subdivision 12, except for payments for sick leave that are accumulated under the provisions of a uniform school district policy that applies equally to all similarly situated persons in the district.

(c) Amounts provided to an employee by the employer through a grievance proceeding or a legal settlement are salary only if the settlement is reviewed by the executive director and the amounts are determined by the executive director to be consistent with paragraph (a) and prior determinations."

Page 53, after line 22, insert:

"Sec. 23. Minnesota Statutes 2004, section 356.611, subdivision 1, is amended to read:

Subdivision 1. [STATE SALARY LIMITATIONS.] (a) Notwithstanding any provision of law, bylaws, articles of incorporation, retirement and disability allowance plan agreements, or retirement plan contracts to the contrary, the covered salary for pension purposes for a plan participant of a covered retirement fund enumerated in section 356.30, subdivision 3, may not exceed ~~95~~ 110 percent of the salary established for the governor under section 15A.082 at the time the person received the salary.

(b) This section does not apply to a salary paid:

(1) to the governor or to a judge;

(2) to an employee or an elected official who is not subject to the limit as specified under section 43A.17, subdivision 9;

(3) to an employee of a political subdivision in a position that is excluded from the limit as specified under section 43A.17, subdivision 9;

~~(3)~~ (4) to a state employee as defined under section 43A.02, subdivision 21;

~~(4)~~ (5) to an employee of Gillette Hospital who is covered by the general state employees retirement plan of the Minnesota State Retirement System;

~~(5)~~ (6) to an employee of the Minnesota Crop Improvement Council; or

~~(6)~~ (7) to an employee of the Minnesota Historical Society;

(8) to an employee of the Southern Minnesota Municipal Power Association; or

(9) to the director of the Duluth Port Authority.

(c) The limited covered salary determined under this section must be used in determining employee and employer contributions and in determining retirement annuities and other benefits under the respective covered retirement fund and under this chapter."

Page 53, after line 35, insert:

"Sec. 25. Minnesota Statutes 2004, section 422A.01, is amended by adding a subdivision to read:

Subd. 13a. [COVERED SALARY.] "Salary" is subject to the limitations of section 356.611."

Page 56, after line 1, insert:

"Sec. 28. Minnesota Statutes 2004, section 423B.01, is amended by adding a subdivision to read:

Subd. 22. [COVERED SALARY.] "Salary" is subject to the limitations of section 356.611.

Sec. 29. Minnesota Statutes 2004, section 423C.01, is amended by adding a subdivision to read:

Subd. 29. [COVERED SALARY.] "Salary" is subject to the limitations of section 356.611."

Page 56, after line 15, insert:

"Sec. 31. Minnesota Statutes 2004, section 490.121, is amended by adding a subdivision to read:

Subd. 21a. [COVERED SALARY LIMITATION.] "Final average compensation" is subject to the limitations of section 356.611."

Page 56, line 20, delete "July 1, 2005" and insert "on the day following final enactment except that section 23 applies retroactively from April 28, 1994"

Page 57, line 27, delete "member and" and insert "normal cost of the judges retirement plan on the date of return from the leave of absence, as determined in the most recent actuarial report for the plan filed with the Legislative Commission on Pensions and Retirement, multiplied by"

Page 57, delete line 28

Page 57, line 29, delete "1a and 1b, applied to"

Page 58, after line 35, insert:

"Sec. 7. [UNIVERSITY OF MINNESOTA STRIKE PROVISION.]

Notwithstanding the payment deadline specified in Minnesota Statutes, section 356.195, subdivision 2, paragraph (b), a University of Minnesota employee covered by the Minnesota State Retirement System who was on strike on or after October 21, 2003 and before the effective date of this section, is authorized to make a payment under that paragraph on or before one year after the effective date of this section."

Page 59, line 1, delete "6" and insert "7"

Page 75, after line 2, insert:

"Section 1. Minnesota Statutes 2004, section 353.27, subdivision 2, is amended to read:

Subd. 2. [EMPLOYEE CONTRIBUTION.] (a) The employee contribution is the following applicable percentage of the total salary amount for a "basic member" and for a "coordinated member":

	Basic Program	Coordinated Program
<del>Before January 1, 2002</del>	<del>8.75</del>	<del>4.75</del>
<del>Effective January 1, 2002</del>		
<u>Effective before January 1, 2006</u>	<u>9.10</u>	<u>5.10</u>
<u>Effective January 1, 2006</u>	<u>9.10</u>	<u>5.50</u>
<u>Effective January 1, 2007</u>	<u>9.10</u>	<u>5.75</u>
<u>Effective January 1, 2008</u>	<u>9.10</u>	<u>6.00 plus any contribution rate adjustment under subdivision 3b</u>

(b) These contributions must be made by deduction from salary as defined in section 353.01, subdivision 10, in the manner provided in subdivision 4. ~~Where~~ If any portion of a member's salary is paid from other than public funds, ~~such~~ the member's employee contribution must be based on the total salary received by the member from all sources.

Sec. 2. Minnesota Statutes 2004, section 353.27, subdivision 3, is amended to read:

Subd. 3. [EMPLOYER CONTRIBUTION.] (a) The employer contribution is the following applicable percentage of the total salary amount for "basic members" and for "coordinated members":

	Basic Program	Coordinated Program
<del>Before January 1, 2002</del>	<del>8.75</del>	<del>4.75</del>
<del>Effective January 1, 2002</del>		
<u>Effective before January 1, 2006</u>	<u>9.10</u>	<u>5.10</u>
<u>Effective January 1, 2006</u>	<u>9.10</u>	<u>5.50</u>
<u>Effective January 1, 2007</u>	<u>9.10</u>	<u>5.75</u>
<u>Effective January 1, 2008</u>	<u>9.10</u>	<u>6.00 plus any contribution rate adjustment under subdivision 3b</u>

(b) This contribution must be made from funds available to the employing subdivision by the means and in the manner provided in section 353.28.

Sec. 3. Minnesota Statutes 2004, section 353.27, subdivision 3a, is amended to read:

Subd. 3a. [ADDITIONAL EMPLOYER CONTRIBUTION.] (a) An additional employer contribution must be made equal to ~~(1) 2.68 percent of the following applicable percentage of the total salary of each amount for "basic member members"; and (2) .43 percent of the total salary of each for "coordinated member members";~~

	<u>Basic Program</u>	<u>Coordinated Program</u>
<u>Effective before January 1, 2006</u>	<u>2.68</u>	<u>.43</u>
<u>Effective January 1, 2006</u>	<u>2.68</u>	<u>.50</u>
<u>Effective January 1, 2009</u>	<u>2.68</u>	<u>.75</u>
<u>Effective January 1, 2010</u>	<u>2.68</u>	<u>1.00</u>

These contributions must be made from funds available to the employing subdivision by the means and in the manner provided in section 353.28.

(b) The coordinated program contribution rates set forth in paragraph (a) effective for January 1, 2009, or January 1, 2010, must not be implemented if, following receipt of the July 1, 2008, or July 1, 2009, annual actuarial valuation reports under section 356.215, respectively, the actuarially required contributions are equal to or less than the total rates under this section in effect as of January 1, 2008.

(c) This subdivision is repealed once the actuarial value of the assets of the plan equal or exceed the actuarial accrued liability of the plan as determined by the actuary retained by the Legislative Commission on Pensions and Retirement under section 356.215. The repeal is effective on the first day of the first full pay period occurring after March 31 of the calendar year following the issuance of the actuarial valuation upon which the repeal is based.

Sec. 4. Minnesota Statutes 2004, section 353.27, is amended by adding a subdivision to read:

Subd. 3b. [CHANGE IN EMPLOYEE AND EMPLOYER CONTRIBUTIONS IN CERTAIN INSTANCES.]

(a) For purposes of this section, a contribution sufficiency exists if the total of the employee contribution under subdivision 2, the employer contribution under subdivision 3, the additional employer contribution under subdivision 3a, and any additional contribution previously imposed under this subdivision exceeds the total of the normal cost, the administrative expenses, and the amortization contribution of the retirement plan as reported in the most recent actuarial valuation of the retirement plan prepared by the actuary retained under section 356.214 and prepared under section 356.215 and the standards for actuarial work of the Legislative Commission on Pensions and Retirement. For purposes of this section, a contribution deficiency exists if the total of the employee contributions under subdivision 2, the employer contributions under subdivision 3, the additional employer contribution under subdivision 3a, and any additional contribution previously imposed under this subdivision is less than the total of the normal cost, the administrative expenses, and the amortization contribution of the retirement plan as reported in the most recent actuarial valuation of the retirement plan prepared by the actuary retained under section 356.214 and prepared under section 356.215 and the standards for actuarial work of the Legislative Commission on Pensions and Retirement.

(b) Employee and employer contributions under subdivisions 2 and 3 must be adjusted:

(1) if, after July 1, 2010, the regular actuarial valuations of the general employees retirement plan of the Public Employees Retirement Association under section 356.215 indicate that there is a contribution sufficiency under paragraph (a) equal to or greater than 0.5 percent of covered payroll for two consecutive years, the coordinated program employee and employer contribution rates must be decreased as determined under paragraph (c) to a level such that the sufficiency equals no more than 0.25 percent of covered payroll based on the most recent actuarial valuation; or

(2) if, after July 1, 2010, the regular actuarial valuations of the general employees retirement plan of the Public Employees Retirement Association under section 356.215 indicate that there is a deficiency equal to or greater than 0.5 percent of covered payroll for two consecutive years, the coordinated program employee and employer contribution rates must be increased as determined under paragraph (c) to a level such that no deficiency exists based on the most recent actuarial valuation.

(c) The contribution rate increase or decrease must be determined by the executive director of the Public Employees Retirement Association, must be reported to the chair and the executive director of the Legislative Commission on Pensions and Retirement on or before the next February 1, and, if the Legislative Commission on Pensions and Retirement does not recommend against the rate change or does not recommend a modification in the rate change, is effective on the next July 1 following the determination by the executive director that a contribution deficiency or sufficiency has existed for two consecutive fiscal years based on the most recent actuarial valuations under section 356.215. If the actuarially required contribution exceeds or is less than the total support provided by the combined employee and employer contribution rates by more than 0.5 percent of covered payroll, the coordinated program employee and employer contribution rates must be adjusted incrementally over one or more years to a level such that there remains a contribution sufficiency of no more than 0.25 percent of covered payroll.

(d) No incremental adjustment may exceed 0.25 percent for either the coordinated program employee and employer contribution rates per year in which any adjustment is implemented. A contribution rate adjustment under this subdivision must not be made until at least two years have passed since fully implementing a previous adjustment under this subdivision."

Page 76, after line 5, insert:

"Sec. 7. Minnesota Statutes 2004, section 353.65, subdivision 2, is amended to read:

Subd. 2. [EMPLOYEE CONTRIBUTION RATE.] (a) The employee contribution is an amount equal to ~~6.2~~ the percent of the total salary of the member specified in paragraph (b). This contribution must be made by deduction from salary in the manner provided in subdivision 4. Where any portion of a member's salary is paid from other than public funds, the member's employee contribution is based on the total salary received from all sources.

(b) For calendar year 2006, the employee contribution rate is 7.0 percent. For calendar year 2007, the employee contribution rate is 7.8 percent. For calendar year 2008, the employee contribution rate is 8.6 percent. For calendar year 2009 and thereafter, the employee contribution rate is 9.4 percent.

Sec. 8. Minnesota Statutes 2004, section 353.65, subdivision 3, is amended to read:

Subd. 3. [EMPLOYER CONTRIBUTION RATE.] (a) The employer contribution shall be an amount equal to ~~9.3~~ the percent of the total salary of every member as specified in paragraph (b). This contribution shall be made from funds available to the employing subdivision by the means and in the manner provided in section 353.28.

(b) For calendar year 2006, the employer contribution rate is 10.5 percent. For calendar year 2007, the employer contribution rate is 11.7 percent. For calendar year 2008, the employer contribution rate is 12.9 percent. For calendar year 2009 and thereafter, the employer contribution rate is 14.1 percent."

Page 76, line 35, delete "1 and 2" and insert "5 and 6"

Page 76, line 36, delete "3 and 4" and insert "9 and 10"

Page 77, line 2, after "(c)" insert "Sections 1 to 4 and 7 and 8 are effective on January 1, 2006.

(d)" and delete "4" and insert "10"

Page 173, line 36, delete the new language

Page 174, line 1, delete the first "Association,"

Page 174, line 3, after "Association," insert "by the date determined under section 356.216, paragraph (a), clause (2), for the Bloomington Fire Department Relief Association,"

Page 178, line 22, after "later" insert "and except that the amortization date for the Minneapolis Police Relief Association is December 31, 2020"

Pages 180 to 182, delete section 4

Pages 186 to 188, delete sections 10 and 11 and insert:

"Sec. 9. Minnesota Statutes 2004, section 423B.05, subdivision 3, is amended to read:

Subd. 3. [CONTINUATION OF BOARD.] Notwithstanding the provisions of section 423A.01, subdivision 2, or any other law, the board of trustees and its successors established under subdivision 1 shall continue to govern the association until there are no more than ~~400~~ 350 members of the police pension fund. The fund thereafter must become a trust fund in accordance with section 423A.01, subdivision 2."

Page 190, delete lines 1 to 6 and insert:

	<u>"A</u>	<u>B</u>
20 years	<del>34.0</del> <u>34.5</u> units	<u>35.0 units</u>
21 years	<del>35.6</del> <u>36.1</u> units	<u>36.6 units</u>
22 years	<del>37.2</del> <u>37.7</u> units	<u>38.2 units</u>
23 years	<del>38.8</del> <u>39.3</u> units	<u>39.8 units</u>
24 years	<del>40.4</del> <u>40.9</u> units	<u>41.4 units</u>
25 years	<del>42.0</del> <u>42.5</u> units	<u>43.0 units</u>

Column A is applicable until December 31, 2005, and applies retroactively to January 1, 2005, for a service pensioner who retired before January 1, 2005. Column B applies on and after January 1, 2006."

Page 190, line 24, delete "unit" and insert "half units"

Page 190, line 25, after "provided" insert "under the same terms and at the same time as applicable under subdivision 1"

Page 191, line 6, before "23" insert "22.5 units per month until December 31, 2005, and" and after "month" insert "beginning on January 1, 2006."

Page 191, line 11, before "23" insert "22.5 units per month until December 31, 2005, and" and after "month" insert "beginning on January 1, 2006"

Page 192, after line 17, insert:

"(e) For any surviving spouse who began receiving survivor benefits before January 1, 2005, the half-unit increase under paragraph (a) is effective retroactive to January 1, 2005."

Pages 192 to 194, delete section 15

Page 195, delete lines 35 and 36 and insert:

"When a pension benefit is properly paid in accordance with the laws governing the Minneapolis Police Relief Association or the Minneapolis Firefighters Relief Association, whichever apply, to any member, the dollar amount of the pension a member received may not be reduced if the city of Minneapolis and the collective bargaining agent representing active police officers or firefighters enter into or are required to abide by an agreement that would otherwise require the association to reduce the dollar amount of a pension that had properly been paid to any member."

Page 196, delete lines 1 to 6

Page 198, line 32, delete "1 and 2" and insert "2 and 3 with respect to the Bloomington Fire Department Relief Association"

Page 198, line 36, delete "3 to 10" and insert "1, 3, with respect to the Minneapolis Police Relief Association, 9, 10, 11, 12, 13, and 16"

Page 199, line 5, delete "3," and delete "and" and after "7" insert ", and 8"

Page 199, delete lines 9 to 12

Page 199, line 13, delete "(e)" and insert "(d)" and delete "9 and 10" and insert "14 and 15"

Page 199, line 17, delete "(f)" and insert "(e)" and delete "4" and insert "18"

Page 199, line 21, delete "(g)" and insert "(f)" and delete "3" and insert "17"

Page 199, line 31, delete "(h)" and insert "(g)" and delete "5" and insert "19"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

### **SECOND READING OF HOUSE BILLS**

H. F. No. 2243 was read for the second time.

### **SECOND READING OF SENATE BILLS**

S. F. Nos. 232, 953, 1204, 1604, 1772 and 427 were read for the second time.

### **INTRODUCTION AND FIRST READING OF HOUSE BILLS**

The following House Files were introduced:

Blaine introduced:

H. F. No. 2544, A bill for an act relating to retirement; correctional state employees retirement plan; clarifying the current and past coverage for a certain Minnesota correctional facility-St. Cloud employee; amending Minnesota Statutes 2004, section 352.91, subdivision 3d.

The bill was read for the first time and referred to the Committee on Governmental Operations and Veterans Affairs.

Wagenius, Mariani and Kelliher introduced:

H. F. No. 2545, A bill for an act relating to natural resources; proposing an amendment to the Minnesota Constitution by adding a section to article XI; increasing the sales and use tax by one-quarter percent and dedicating the proceeds for natural resource and clean water purposes; amending Minnesota Statutes 2004, sections 297A.62, subdivision 1; 297A.94; 297B.02, subdivision 1.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Larson, Lenczewski and Peterson, N., introduced:

H. F. No. 2546, A bill for an act relating to retirement; general employees retirement plan of the Public Employees Retirement Association; permitting the purchase of service credit for which Independent School District No. 271, Bloomington, failed to make member deductions.

The bill was read for the first time and referred to the Committee on Governmental Operations and Veterans Affairs.

Anderson, I.; Carlson; Entenza; Rukavina and Lieder introduced:

H. F. No. 2547, A bill for an act proposing an amendment to the Minnesota Constitution, article IV, section 12; removing legislative adjournment deadline and changing total number of days.

The bill was read for the first time and referred to the Committee on Governmental Operations and Veterans Affairs.

Urdahl, Juhnke and Howes introduced:

H. F. No. 2548, A bill for an act relating to taxation; providing a reduced class rate for certain property bordering public waters; amending Minnesota Statutes 2004, section 273.13, subdivision 23.

The bill was read for the first time and referred to the Committee on Taxes.

Mahoney introduced:

H. F. No. 2549, A bill for an act relating to local government; modifying job evaluation system requirements for political subdivisions; amending Minnesota Statutes 2004, section 471.994.

The bill was read for the first time and referred to the Committee on Local Government.

Erhardt, Larson, Cox, Heidgerken and Lieder introduced:

H. F. No. 2550, A bill for an act relating to transportation; directing revisor of statutes to change term "tax" to "fee" in Minnesota Statutes where it refers to vehicle registration tax or motor fuels tax.

The bill was read for the first time and referred to the Committee on Transportation.

Demmer, Bradley, Liebling and Welti introduced:

H. F. No. 2551, A bill for an act relating to capital improvements; authorizing the issuance of state bonds; appropriating money for the Rochester Regional Public Safety Training Center.

The bill was read for the first time and referred to the Committee on Public Safety Policy and Finance.

### MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 987, A bill for an act relating to child safety; prohibiting the sale and commercial use of certain cribs; providing enforcement; proposing coding for new law in Minnesota Statutes, chapters 245A; 325F.

PATRICK E. FLAHAVEN, Secretary of the Senate

Sieben moved that the House refuse to concur in the Senate amendments to H. F. No. 987, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 367, A bill for an act relating to real property; providing for certain defeasible estates; modifying residential purchase agreement cancellations; amending the foreclosure advice notice; amending Minnesota Statutes 2004, sections 500.20, subdivision 2a; 513.56, subdivision 3; 513.57, subdivision 2; 559.217; 580.041, by adding subdivisions.

PATRICK E. FLAHAVEN, Secretary of the Senate

### CONCURRENCE AND REPASSAGE

Kohls moved that the House concur in the Senate amendments to H. F. No. 367 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 367, A bill for an act relating to real property; providing for certain defeasible estates; modifying residential purchase agreement cancellations; amending the foreclosure advice notice; modifying the description of land deleted from the Mississippi Recreational River Land Use District in Sherburne County; amending Minnesota Statutes 2004, sections 500.20, subdivision 2a; 513.56, subdivision 3; 513.57, subdivision 2; 559.217; 580.041, by adding subdivisions; Laws 2005, chapter 30, section 1.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dittrich	Hilty	Larson	Opatz	Simpson
Anderson, I.	Dorn	Holberg	Latz	Otremba	Slawik
Atkins	Eastlund	Hoppe	Lenczewski	Paulsen	Smith
Beard	Eken	Hornstein	Lesch	Paymar	Soderstrom
Bernardy	Ellison	Hortman	Liebling	Pelowski	Solberg
Bradley	Emmer	Hosch	Lieder	Penas	Sykora
Brod	Entenza	Howes	Lillie	Peppin	Thao
Buesgens	Erhardt	Huntley	Loeffler	Peterson, A.	Thissen
Carlson	Erickson	Jaros	Magnus	Peterson, N.	Tingelstad
Charron	Finstad	Johnson, J.	Mahoney	Peterson, S.	Urdahl
Clark	Fritz	Johnson, R.	Marquart	Poppe	Wagenius
Cornish	Garofalo	Johnson, S.	McNamara	Powell	Walker
Cox	Gazelka	Juhnke	Meslow	Rukavina	Wardlow
Cybart	Greiling	Kahn	Moe	Ruth	Welti
Davids	Gunther	Kelliher	Mullery	Ruud	Westerberg
Davnie	Hackbarth	Klinzing	Murphy	Sailer	Westrom
Dean	Hamilton	Knoblach	Nelson, M.	Scalze	Wilkin
DeLaForest	Hansen	Koenen	Nelson, P.	Seifert	Spk. Sviggum
Demmer	Hausman	Kohls	Newman	Sertich	
Dempsey	Heidgerken	Krinkie	Nornes	Sieben	
Dill	Hilstrom	Lanning	Olson	Simon	

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 369, A bill for an act relating to real property; amending the Minnesota Common Interest Ownership Act; amending Minnesota Statutes 2004, sections 515B.1-102; 515B.1-103; 515B.1-106; 515B.1-107; 515B.1-116; 515B.2-101; 515B.2-102; 515B.2-104; 515B.2-106; 515B.2-108; 515B.2-110; 515B.2-111; 515B.2-112; 515B.2-113; 515B.2-118; 515B.2-119; 515B.2-121; 515B.2-123; 515B.2-124; 515B.3-101; 515B.3-102; 515B.3-103; 515B.3-105; 515B.3-106; 515B.3-110; 515B.3-112; 515B.3-113; 515B.3-114; 515B.3-115; 515B.3-116; 515B.3-117; 515B.3-120; 515B.4-101; 515B.4-102; 515B.4-105; 515B.4-106; 515B.4-107; 515B.4-108; 515B.4-109; 515B.4-111; 515B.4-115.

PATRICK E. FLAHAVEN, Secretary of the Senate

## CONCURRENCE AND REPASSAGE

Thissen moved that the House concur in the Senate amendments to H. F. No. 369 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 369, A bill for an act relating to real property; amending the Minnesota Common Interest Ownership Act; amending Minnesota Statutes 2004, sections 515B.1-102; 515B.1-103; 515B.1-106; 515B.1-107; 515B.1-116; 515B.2-101; 515B.2-102; 515B.2-104; 515B.2-105; 515B.2-106; 515B.2-108; 515B.2-110; 515B.2-111; 515B.2-112; 515B.2-113; 515B.2-118; 515B.2-119; 515B.2-121; 515B.2-123; 515B.2-124; 515B.3-101; 515B.3-102; 515B.3-103; 515B.3-105; 515B.3-106; 515B.3-110; 515B.3-112; 515B.3-113; 515B.3-114; 515B.3-115; 515B.3-116; 515B.3-117; 515B.3-120; 515B.4-101; 515B.4-102; 515B.4-105; 515B.4-106; 515B.4-107; 515B.4-108; 515B.4-109; 515B.4-111; 515B.4-115.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 123 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Dittrich	Hilty	Latz	Ozment	Simpson
Atkins	Dorn	Holberg	Lenczewski	Paulsen	Slawik
Beard	Eastlund	Hoppe	Lesch	Paymar	Smith
Bernardy	Eken	Hornstein	Liebling	Pelowski	Soderstrom
Blaine	Ellison	Hortman	Lieder	Penas	Solberg
Bradley	Emmer	Hosch	Lillie	Peppin	Sykora
Brod	Entenza	Howes	Loeffler	Peterson, A.	Thao
Buesgens	Erhardt	Huntley	Magnus	Peterson, N.	Thissen
Carlson	Erickson	Jaros	Mahoney	Peterson, S.	Tingelstad
Charron	Finstad	Johnson, J.	Marquart	Poppe	Urdahl
Clark	Fritz	Johnson, R.	McNamara	Powell	Wagenius
Cornish	Garofalo	Johnson, S.	Meslow	Rukavina	Walker
Cox	Gazelka	Juhnke	Moe	Ruth	Wardlow
Cybart	Greiling	Kahn	Mullery	Ruud	Welti
Davids	Gunther	Kelliher	Murphy	Sailer	Westerberg
Davnie	Hackbarth	Klinzing	Nelson, M.	Samuelson	Westrom
Dean	Hamilton	Knoblach	Nelson, P.	Scalze	Wilkin
DeLaForest	Hansen	Koenen	Newman	Seifert	Spk. Sviggum
Demmer	Hausman	Kohls	Nornes	Sertich	
Dempsey	Heidgerken	Lanning	Opatz	Sieben	
Dill	Hilstrom	Larson	Otremba	Simon	

Those who voted in the negative were:

Anderson, B.	Krinkie	Olson
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The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 436, A bill for an act relating to natural resources; requiring commissioner's evaluation before vacating certain roads adjacent to public waters; creating right of intervention; amending Minnesota Statutes 2004, sections 164.07, subdivision 2; 412.851; 505.14.

PATRICK E. FLAHAVEN, Secretary of the Senate

### CONCURRENCE AND REPASSAGE

McNamara moved that the House concur in the Senate amendments to H. F. No. 436 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 436, A bill for an act relating to natural resources; requiring commissioner's evaluation before vacating certain roads adjacent to public waters; creating right of intervention; providing an exemption for participants in National Veterans Wheelchair Games; amending Minnesota Statutes 2004, sections 164.07, subdivision 2; 412.851; 505.14.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 121 yeas and 7 nays as follows:

Those who voted in the affirmative were:

Abrams	Dempsey	Hilstrom	Larson	Ozment	Slawik
Anderson, B.	Dill	Hilty	Latz	Paulsen	Smith
Anderson, I.	Dittrich	Holberg	Lenczewski	Paymar	Soderstrom
Atkins	Dorn	Hoppe	Lesch	Pelowski	Solberg
Beard	Eastlund	Hornstein	Liebling	Penas	Sykora
Bernardy	Eken	Hortman	Lieder	Peppin	Thao
Blaine	Ellison	Hosch	Lillie	Peterson, A.	Thissen
Bradley	Emmer	Howes	Loeffler	Peterson, N.	Tingelstad
Brod	Entenza	Huntley	Magnus	Peterson, S.	Urdahl
Buesgens	Erhardt	Jaros	Mahoney	Poppe	Wagenius
Carlson	Erickson	Johnson, J.	Marquart	Powell	Walker
Charron	Finstad	Johnson, R.	McNamara	Ruth	Wardlow
Clark	Garofalo	Johnson, S.	Meslow	Ruud	Welti
Cornish	Gazelka	Juhnke	Moe	Sailer	Westerberg
Cox	Greiling	Kahn	Mullery	Samuelson	Wilkin
Cybart	Gunther	Kelliher	Murphy	Scalze	Spk. Sviggum
Davids	Hackbarth	Klinzing	Nelson, M.	Seifert	
Davnie	Hamilton	Knoblach	Nelson, P.	Sertich	
Dean	Hansen	Kohls	Newman	Sieben	
DeLaForest	Hausman	Krinkie	Nornes	Simon	
Demmer	Heidgerken	Lanning	Opatz	Simpson	

Those who voted in the negative were:

Fritz	Olson	Rukavina	Westrom
Koenen	Otremba	Vandev eer	

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 2057.

PATRICK E. FLAHAVEN, Secretary of the Senate

### **FIRST READING OF SENATE BILLS**

S. F. No. 2057, A bill for an act relating to environment; modifying advisory boards; eliminating a report; indemnifying participants in pollution prevention assistance program; amending Minnesota Statutes 2004, sections 115A.072, subdivision 1; 115A.12; 115A.929; 115D.04, subdivision 3.

The bill was read for the first time and referred to the Committee on Agriculture, Environment and Natural Resources Finance.

The following Conference Committee Report was received:

#### **CONFERENCE COMMITTEE REPORT ON H. F. NO. 1164**

A bill for an act relating to traffic regulations; modifying provision governing the passing of a parked emergency vehicle; providing eligibility criteria for business panels on logo sign panels; amending Minnesota Statutes 2004, sections 160.80, subdivision 1a; 169.18, subdivision 11.

May 20, 2005

The Honorable Steve Sviggum  
Speaker of the House of Representatives

The Honorable James P. Metzen  
President of the Senate

We, the undersigned conferees for H. F. No. 1164, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 1164 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2004, section 160.80, subdivision 1a, is amended to read:

Subd. 1a. [ELIGIBILITY CRITERIA FOR BUSINESS PANELS.] (a) To be eligible for a business panel on a logo sign panel, a business establishment must:

(1) be open for business;

(2) have a sign on site that both identifies the business and is visible to motorists;

(3) be open to everyone, regardless of race, religion, color, age, sex, national origin, creed, marital status, sexual orientation, or disability;

(4) not impose a cover charge or otherwise require customers to purchase additional products or services; and

(5) meet the appropriate criteria in paragraphs (b) to (e).

(b) Gas businesses must provide vehicle services including fuel and oil; restroom facilities and drinking water; continuous, staffed operation at least 12 hours a day, seven days a week; and public access to a telephone.

(c) Food businesses must serve at least two meals a day during normal mealtimes of breakfast, lunch, and dinner; provide a continuous, staffed food service operation at least ten hours a day, seven days a week except holidays as defined in section 645.44, subdivision 5, and except as provided for seasonal food service businesses; provide seating capacity for at least 20 people; ~~serve meals prepared on the premises;~~ and possess any required state or local licensing or approval. ~~Reheated, prepackaged, ready-to-eat food is not "food prepared on the premises."~~ Seasonal food service businesses must provide a continuous, staffed food service operation at least ten hours a day, seven days a week, during their months of operation.

(d) Lodging businesses must include sleeping accommodations, provide public access to a telephone, and possess any required state or local licensing or approval.

(e) Camping businesses must include sites for camping, include parking accommodations for each campsite, provide sanitary facilities and drinking water, and possess any required state or local licensing or approval.

(f) Businesses that do not meet the appropriate criteria in paragraphs (b) to (e) but that have a signed lease as of January 1, 1998, may retain the business panel until December 31, 2005, or until they withdraw from the program, whichever occurs first, provided they continue to meet the criteria in effect in the department's contract with the logo sign vendor on August 1, 1995. After December 31, 2005, or after withdrawing from the program, a business must meet the appropriate criteria in paragraphs (a) to (e) to qualify for a business panel.

(g) Seasonal businesses must indicate to motorists when they are open for business by either putting the full months of operation directly on the business panel or by having a "closed" plaque applied to the business panel when the business is closed for the season.

(h) The maximum distance that an eligible business in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington county can be located from the interchange is: for gas businesses, one mile; for food businesses, two miles; for lodging businesses, three miles; and for camping businesses, ten miles.

(i) The maximum distance that an eligible business in any other county can be located from the interchange shall not exceed 15 miles in either direction.

(j) Logo sign panels must be erected so that motorists approaching an interchange view the panels in the following order: camping, lodging, food, gas.

(k) If there is insufficient space on a logo sign panel to display all eligible businesses for a specific type of service, the businesses closest to the interchange have priority over businesses farther away from the interchange.

Sec. 2. Minnesota Statutes 2004, section 169.18, subdivision 11, is amended to read:

Subd. 11. [PASSING PARKED EMERGENCY VEHICLE; CITATION; PROBABLE CAUSE.] (a) When approaching and before passing an authorized emergency vehicle with its emergency lights activated that is parked or otherwise stopped on or next to a street or highway having two ~~or more~~ lanes in the same direction, the driver of a vehicle shall safely move the vehicle to ~~a~~ the lane farthest away from the emergency vehicle, if it is possible to do so.

(b) When approaching and before passing an authorized emergency vehicle with its emergency lights activated that is parked or otherwise stopped on or next to a street or highway having more than two lanes in the same direction, the driver of a vehicle shall safely move the vehicle so as to leave a full lane vacant between the driver and any lane in which the emergency vehicle is completely or partially parked or otherwise stopped, if it is possible to do so.

(c) A peace officer may issue a citation to the driver of a motor vehicle if the peace officer has probable cause to believe that the driver has operated the vehicle in violation of this subdivision within the four-hour period following the termination of the incident or a receipt of a report under paragraph (d). The citation may be issued even though the violation was not committed in the presence of the peace officer.

(d) Although probable cause may be otherwise satisfied by other evidentiary elements or factors, probable cause is sufficient for purposes of this subdivision when the person cited is operating the vehicle described by a member of the crew of an authorized emergency vehicle responding to an incident in a timely report of the violation of this subdivision, which includes a description of the vehicle used to commit the offense and the vehicle's license plate number. For the purposes of issuance of a citation under paragraph (c), "timely" means that the report must be made within a four-hour period following the termination of the incident.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to traffic regulations; providing eligibility criteria for business panels on logo sign panels; clarifying duty of driver when passing parked emergency vehicle; authorizing issuance of citation within four hours after violation; amending Minnesota Statutes 2004, sections 160.80, subdivision 1a; 169.18, subdivision 11."

We request adoption of this report and repassage of the bill.

House Conferees: PAUL GAZELKA, DUKE POWELL AND DAN LARSON.

Senate Conferees: SHEILA M. KISCADEN, MIKE MCGINN AND DON BETZOLD.

Gazelka moved that the report of the Conference Committee on H. F. No. 1164 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1164, A bill for an act relating to traffic regulations; modifying provision governing the passing of a parked emergency vehicle; providing eligibility criteria for business panels on logo sign panels; amending Minnesota Statutes 2004, sections 160.80, subdivision 1a; 169.18, subdivision 11.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 128 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Dill	Hilty	Latz	Paulsen	Smith
Anderson, B.	Dittrich	Holberg	Lenczewski	Paymar	Soderstrom
Anderson, I.	Dorn	Hoppe	Lesch	Pelowski	Solberg
Atkins	Eastlund	Hornstein	Liebling	Penas	Sykora
Beard	Eken	Hortman	Lieder	Peppin	Thao
Bernardy	Ellison	Hosch	Lillie	Peterson, A.	Thissen
Blaine	Emmer	Howes	Loeffler	Peterson, N.	Tingelstad
Bradley	Entenza	Huntley	Magnus	Peterson, S.	Urdahl
Brod	Erhardt	Jaros	Mahoney	Poppe	Vandever
Buesgens	Erickson	Johnson, J.	Marquart	Powell	Wagenius
Carlson	Finstad	Johnson, R.	McNamara	Rukavina	Walker
Charron	Fritz	Johnson, S.	Meslow	Ruth	Wardlow
Clark	Garofalo	Juhnke	Moe	Ruud	Welti
Cornish	Gazelka	Kahn	Mullery	Sailer	Westerberg
Cox	Greiling	Kelliher	Murphy	Samuelson	Westrom
Cybart	Gunther	Klinzing	Nelson, M.	Scalze	Wilkin
Davids	Hackbarth	Knoblach	Nelson, P.	Seifert	Zellers
Davnie	Hamilton	Koenen	Newman	Sertich	Spk. Sviggum
Dean	Hansen	Kohls	Nornes	Sieben	
DeLaForest	Hausman	Krinkie	Opatz	Simon	
Demmer	Heidgerken	Lanning	Otremba	Simpson	
Dempsey	Hilstrom	Larson	Ozment	Slawik	

Those who voted in the negative were:

Olson

The bill was repassed, as amended by Conference, and its title agreed to.

#### REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Paulsen from the Committee on Rules and Legislative Administration, pursuant to rule 1.21, designated the following bills to be placed on the Supplemental Calendar for the Day for Saturday, May 21, 2005:

H. F. No. 2121; S. F. No. 1625; and H. F. Nos. 2063, 2097 and 2255.

**CALENDAR FOR THE DAY**

S. F. No. 629 was reported to the House.

Beard; Nelson, P.; Westerberg; Holberg; Erhardt; Walker; Greiling; Hausman; Hornstein and Larson moved to amend S. F. No. 629 as follows:

Page 1, after line 12, insert:

"Section 1. Minnesota Statutes 2004, section 221.091, subdivision 3, is amended to read:

Subd. 3. [AUTHORITY OF METROPOLITAN AIRPORTS COMMISSION.] Notwithstanding any other law:

(a) The Metropolitan Airports Commission may regulate ground transportation to and from an airport under its jurisdiction, subject to ~~the provisions of paragraph~~ paragraphs (b), (c), (d), and (e). The authority under this paragraph includes, but is not limited to, regulating the number and types of transportation services, making concession agreements, and establishing vehicle standards.

(b) The Metropolitan Airports Commission may regulate small passenger vehicles, including taxicabs, serving an airport under its jurisdiction only by ordinance. An ordinance adopted under this paragraph must at a minimum (1) define taxicabs and, (2) provide for driver qualifications, insurance, and vehicle safety, and may (3) provide for issuance of permits to taxicabs and other small passenger vehicles and limits on. An ordinance under this paragraph may limit the number of permits issued to taxicabs. An ordinance under this paragraph may not provide for making concession agreements relating to small passenger vehicle service, including taxicabs.

(c) If the Metropolitan Airports Commission determines that it is in the public interest to reduce the number of annual taxicab permits issued at the Minneapolis-St. Paul International Airport, the commission shall first reduce the number of permits in the following order:

(1) permits held by permit holders who have not picked up a passenger at the Minneapolis-St. Paul International Airport within three months immediately preceding the decision to reduce permits;

(2) permits issued to permit holders who have not continuously held an annual or semi-annual permit prior to and since January 1, 2005; and

(3) permits issued to corporations that have sold or transferred at least a majority of the shares of the corporation since January 1, 2005.

(d) In deciding whether it is in the public interest to reduce the number of taxicab permits, the commission shall consider, at a minimum, the following factors:

(1) the number of taxicab permits issued in relation to the number of taxicab customers at the Minneapolis-St. Paul International Airport;

(2) the wait times for taxicab drivers; and

(3) the impact to current permit holders, including, but not limited to, permit holders who have held a permit during a permitting period prior to January 1, 2005.

(e) If the Metropolitan Airports Commission allows for taxicab permit transfers, the commission shall not prohibit permit transfers between sole proprietors, individual owner taxicab operators, or corporations, unless the commission also prohibits permit transfers from one corporation to another corporation."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

The Speaker called Abrams to the Chair.

Latz moved to amend S. F. No. 629, as amended, as follows:

Page 5, after line 17, insert:

"Sec. 7. [COMMISSIONER OF TRANSPORTATION; HIGH-OCCUPANCY VEHICLE LANES.]

Subject to any necessary waiver by the appropriate federal authority, the commissioner of transportation shall by order permit the use without fee, in freeway lanes within the metropolitan area that on the effective date of this act were reserved exclusively for high-occupancy vehicles or fee-paying vehicles, of the following vehicles without regard to the number of occupants:

(1) taxis licensed by a political subdivision;

(2) limousines bearing license plates issued under Minnesota Statutes, section 168.128;

(3) buses outwardly equipped and readily identifiable as school buses or Head Start buses;

(4) passenger vehicles with a capacity of ten or more persons including the driver; and

(5) any other passenger vehicles operated by motor carriers of passengers as defined in Minnesota Statutes, section 221.011, subdivision 48."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail and the amendment was not adopted.

Larson moved to amend S. F. No. 629, as amended, as follows:

Page 4, after line 26, insert:

"Sec. 5. Minnesota Statutes 2004, section 473.604, subdivision 5, is amended to read:

Subd. 5. [MEETINGS.] The commission shall meet regularly at least once each month, at such time and place as the commission shall by resolution designate, provided that, beginning January 1, 2008, no meetings shall be scheduled or held within an airport security screening perimeter. Special meetings may be held at any time upon the call of the chair or any two other members, upon written notice sent by certified mail to each member at least three days prior to the meeting, or upon such other notice as the commission may by resolution provide, or without notice if each member is present or files with the secretary a written consent to the meeting either before or after the meeting. Unless otherwise provided, any action within the authority of the commission may be taken by the affirmative vote of a majority of all the members. A majority of all of the members of the commission shall constitute a quorum, but a lesser number may meet and adjourn from time to time and compel the attendance of absent members."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Larson amendment and the roll was called. There were 70 yeas and 62 nays as follows:

Those who voted in the affirmative were:

Abeler	Entenza	Huntley	Liebling	Otremba	Simon
Anderson, I.	Erhardt	Johnson, R.	Lieder	Paymar	Slawik
Atkins	Fritz	Johnson, S.	Loeffler	Peterson, A.	Solberg
Bernardy	Goodwin	Juhnke	Mahoney	Peterson, S.	Thao
Carlson	Greiling	Kahn	Mariani	Poppe	Thissen
Clark	Hansen	Kelliher	Marquart	Powell	Wagenius
Davnie	Hausman	Koenen	McNamara	Rukavina	Walker
Dill	Hilstrom	Krinkie	Meslow	Ruud	Wardlow
Dittrich	Hilty	Larson	Moe	Sailer	Wolti
Dorn	Hornstein	Latz	Murphy	Scalze	Wilkin
Eken	Hortman	Lenczewski	Nelson, M.	Sertich	
Ellison	Hosch	Lesch	Opatz	Sieben	

Those who voted in the negative were:

Abrams	Davids	Gunther	Kohls	Pelowski	Tingelstad
Anderson, B.	Dean	Hackbarth	Lanning	Penas	Urdahl
Beard	DeLaForest	Hamilton	Lillie	Peppin	Vandever
Blaine	Demmer	Heidgerken	Magnus	Peterson, N.	Westerberg
Bradley	Dempsey	Holberg	Mullery	Ruth	Westrom
Brod	Eastlund	Hoppe	Nelson, P.	Samuelson	Zellers
Buesgens	Emmer	Howes	Newman	Seifert	Spk. Sviggum
Charron	Erickson	Jaros	Nornes	Simpson	
Cornish	Finstad	Johnson, J.	Olson	Smith	
Cox	Garofalo	Klinzing	Ozment	Soderstrom	
Cybart	Gazelka	Knoblach	Paulsen	Sykora	

The motion prevailed and the amendment was adopted.

Beard moved that S. F. No. 629, as amended, be temporarily laid over on Calendar for the Day. The motion prevailed.

S. F. No. 379, A bill for an act relating to courts; authorizing a retired court commissioner to be appointed to perform judicial duties in Ramsey County.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Dempsey	Heidgerken	Lanning	Olson	Sieben
Abrams	Dill	Hilstrom	Larson	Opatz	Simon
Anderson, B.	Dittrich	Hilty	Latz	Otremba	Simpson
Anderson, I.	Dorn	Holberg	Lenczewski	Ozment	Slawik
Atkins	Eastlund	Hoppe	Lesch	Paulsen	Smith
Beard	Eken	Hornstein	Liebling	Paymar	Soderstrom
Bernardy	Ellison	Hortman	Lieder	Pelowski	Solberg
Blaine	Emmer	Hosch	Lillie	Penas	Sykora
Bradley	Entenza	Howes	Loeffler	Peppin	Thao
Brod	Erhardt	Huntley	Magnus	Peterson, A.	Thissen
Buesgens	Erickson	Jaros	Mahoney	Peterson, N.	Tingelstad
Carlson	Finstad	Johnson, J.	Mariani	Peterson, S.	Urdahl
Charron	Fritz	Johnson, R.	Marquart	Poppe	Vandevveer
Clark	Garofalo	Johnson, S.	McNamara	Powell	Wagenius
Cornish	Gazelka	Juhnke	Meslow	Rukavina	Walker
Cox	Goodwin	Kahn	Moe	Ruth	Wardlow
Cybart	Greiling	Kelliher	Mullery	Ruud	Welti
Davids	Gunther	Klinzing	Murphy	Sailer	Westerberg
Davnie	Hackbarth	Knoblach	Nelson, M.	Samuelson	Westrom
Dean	Hamilton	Koenen	Nelson, P.	Scalze	Wilkin
DeLaForest	Hansen	Kohls	Newman	Seifert	Zellers
Demmer	Hausman	Krinkie	Nornes	Sertich	Spk. Sviggum

The bill was passed and its title agreed to.

S. F. No. 1555 was reported to the House.

Hackbarth moved to amend S. F. No. 1555 as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 1801, the third engrossment:

#### "ARTICLE 1

#### LAWFUL GAMBLING

Section 1. Minnesota Statutes 2004, section 349.12, is amended by adding a subdivision to read:

Subd. 3c. [BAR BINGO.] "Bar bingo" is a bingo occasion conducted at a permitted premises in an area where intoxicating liquor or 3.2 percent malt beverages are sold and where the licensed organization conducts another form of lawful gambling.

Sec. 2. Minnesota Statutes 2004, section 349.12, subdivision 5, is amended to read:

Subd. 5. [BINGO OCCASION.] "Bingo occasion" means a single gathering or session at which a series of one or more successive bingo games is played. There is no limit on the number of games conducted during a bingo occasion but a bingo occasion must not last longer than eight consecutive hours.

Sec. 3. Minnesota Statutes 2004, section 349.12, is amended by adding a subdivision to read:

Subd. 12a. [ELECTRONIC BINGO DEVICE.] "Electronic bingo device" means an electronic device used by a bingo player to monitor bingo paper sheets purchased at the time and place of an organization's bingo occasion and which (1) provides a means for bingo players to input numbers announced by a bingo caller; (2) compares the numbers entered by the player to the bingo faces previously stored in the memory of the device; and (3) identifies a winning bingo pattern.

Electronic bingo device does not mean any device into which coin, currency, or tokens are inserted to activate play.

Sec. 4. Minnesota Statutes 2004, section 349.12, subdivision 25, is amended to read:

Subd. 25. [LAWFUL PURPOSE.] (a) "Lawful purpose" means one or more of the following:

(1) any expenditure by or contribution to a 501(c)(3) or festival organization, as defined in subdivision 15a, provided that the organization and expenditure or contribution are in conformity with standards prescribed by the board under section 349.154, which standards must apply to both types of organizations in the same manner and to the same extent;

(2) a contribution to or expenditure for goods and services for an individual or family suffering from poverty, homelessness, or physical or mental disability, which is used to relieve the effects of that poverty, homelessness, or disability suffering;

(3) ~~a contribution to an individual for treatment for delayed posttraumatic stress syndrome~~ or a contribution to a program recognized by the Minnesota Department of Human Services for the education, prevention, or treatment of compulsive problem gambling;

(4) a contribution to or expenditure on a public or private nonprofit educational institution registered with or accredited by this state or any other state;

(5) a contribution to a scholarship fund for defraying the cost of education to individuals where the funds are awarded through an open and fair selection process;

(6) activities by an organization or a government entity which recognize humanitarian or military service to the United States, the state of Minnesota, or a community, subject to rules of the board, provided that the rules must not include mileage reimbursements in the computation of the per diem reimbursement limit and must impose no aggregate annual limit on the amount of reasonable and necessary expenditures made to support:

(i) members of a military marching or color guard unit for activities conducted within the state;

(ii) members of an organization solely for services performed by the members at funeral services; or

(iii) members of military marching, color guard, or honor guard units may be reimbursed for participating in color guard, honor guard, or marching unit events within the state or states contiguous to Minnesota at a per participant rate of up to \$35 per diem; or

(iv) active military personnel and their immediate family members in need of support services;

(7) recreational, community, and athletic facilities and activities intended primarily for persons under age 21, provided that such facilities and activities do not discriminate on the basis of gender and the organization complies with section 349.154;

(8) payment of local taxes authorized under this chapter, taxes imposed by the United States on receipts from lawful gambling, the taxes imposed by section 297E.02, subdivisions 1, 4, 5, and 6, and the tax imposed on unrelated business income by section 290.05, subdivision 3;

(9) payment of real estate taxes and assessments on permitted gambling premises ~~wholly~~ owned by the licensed organization paying the taxes, or wholly leased by a licensed veterans organization under a national charter recognized under section 501(c)(19) of the Internal Revenue Code, ~~not to exceed:~~

~~(i) for premises used for bingo, the amount that an organization may expend under board rules on rent for bingo; and~~

~~(ii) \$35,000 per year for premises used for other forms of lawful gambling;~~

(10) a contribution to the United States, this state or any of its political subdivisions, or any agency or instrumentality thereof other than a direct contribution to a law enforcement or prosecutorial agency;

(11) a contribution to or expenditure by a nonprofit organization which is a church or body of communicants gathered in common membership for mutual support and edification in piety, worship, or religious observances;

(12) payment of the reasonable costs of an audit required in section 297E.06, subdivision 4, provided the annual audit is filed in a timely manner with the Department of Revenue and paid prior to June 30, 2006;

~~(13) a contribution to or expenditure on a wildlife management project that benefits the public at large, provided that the state agency with authority over that wildlife management project approves the project before the contribution or expenditure is made;~~

~~(14) expenditures, approved by the commissioner of natural resources, by an organization for grooming and maintaining snowmobile trails and all terrain vehicle trails that are (1) grant-in-aid trails established under section 85.019, or (2) other trails open to public use, including purchase or lease of equipment for this purpose; a contribution to or expenditure on projects or activities approved by the commissioner of natural resources for:~~

~~(i) wildlife management projects that benefit the public at large;~~

~~(ii) grant-in-aid trail maintenance and grooming established under sections 84.83 and 84.927 and other trails open to public use, including purchase or lease of equipment for this purpose; and~~

~~(iii) supplies and materials for safety training and educational programs coordinated by the Department of Natural Resources including the Enforcement Division;~~

~~(14)~~ (14) conducting nutritional programs, food shelves, and congregate dining programs primarily for persons who are age 62 or older or disabled;

~~(46)~~ (15) a contribution to a community arts organization, or an expenditure to sponsor arts programs in the community, including but not limited to visual, literary, performing, or musical arts;

~~(47)~~ (16) an expenditure by a licensed veterans organization for payment of water, fuel for heating, electricity, and sewer costs for a building wholly owned or wholly leased by and used as the primary headquarters of the licensed veterans organization;

~~(48)~~ (17) expenditure by a licensed veterans organization of up to \$5,000 in a calendar year in net costs to the organization for meals and other membership events, limited to members and spouses, held in recognition of military service. No more than \$5,000 can be expended in total per calendar year under this clause by all licensed veterans organizations sharing the same veterans post home; ~~or~~

~~(49)~~ (18) payment of fees authorized under this chapter imposed by the state of Minnesota to conduct lawful gambling in Minnesota; or

(19) a contribution or expenditure to honor an individual's humanitarian service as demonstrated through philanthropy or volunteerism to the United States, this state, or local community.

(b) Notwithstanding paragraph (a), "lawful purpose" does not include:

(1) any expenditure made or incurred for the purpose of influencing the nomination or election of a candidate for public office or for the purpose of promoting or defeating a ballot question;

(2) any activity intended to influence an election or a governmental decision-making process;

(3) the erection, acquisition, improvement, expansion, repair, or maintenance of real property or capital assets owned or leased by an organization, unless the board has first specifically authorized the expenditures after finding that (i) the real property or capital assets will be used exclusively for one or more of the purposes in paragraph (a); (ii) with respect to expenditures for repair or maintenance only, that the property is or will be used extensively as a meeting place or event location by other nonprofit organizations or community or service groups and that no rental fee is charged for the use; (iii) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building, a building owned by the organization and destroyed or made uninhabitable by fire or ~~natural disaster~~ catastrophe, provided that the expenditure may be only for that part of the replacement cost not reimbursed by insurance; (iv) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building a building owned by the organization that was acquired from the organization by eminent domain or sold by the organization to a purchaser that the organization reasonably believed would otherwise have acquired the building by eminent domain, provided that the expenditure may be only for that part of the replacement cost that exceeds the compensation received by the organization for the building being replaced; or (v) with respect to an expenditure to bring an existing building into compliance with the Americans with Disabilities Act under item (ii), an organization has the option to apply the amount of the board-approved expenditure to the erection or acquisition of a replacement building that is in compliance with the Americans with Disabilities Act;

(4) an expenditure by an organization which is a contribution to a parent organization, foundation, or affiliate of the contributing organization, if the parent organization, foundation, or affiliate has provided to the contributing organization within one year of the contribution any money, grants, property, or other thing of value;

(5) a contribution by a licensed organization to another licensed organization unless the board has specifically authorized the contribution. The board must authorize such a contribution when requested to do so by the contributing organization unless it makes an affirmative finding that the contribution will not be used by the recipient organization for one or more of the purposes in paragraph (a); or

(6) a contribution to a statutory or home rule charter city, county, or town by a licensed organization with the knowledge that the governmental unit intends to use the contribution for a pension or retirement fund.

**[EFFECTIVE DATE.]** This section is effective the day following final enactment except that the amendment to paragraph (a), clause (9), is effective January 1, 2006.

Sec. 5. Minnesota Statutes 2004, section 349.12, subdivision 33, is amended to read:

Subd. 33. [RAFFLE.] "Raffle" means a game in which a participant buys a ticket ~~for a chance at a prize with the winner determined by a random drawing to take place at a location and date printed upon the ticket or other certificate of participation in an event where the prize determination is based on a method of random selection and all entries have an equal chance of selection. The ticket or certificate of participation must include the location, date, and time of the selection of the winning entries.~~

**[EFFECTIVE DATE.]** This section is effective the day following final enactment.

Sec. 6. Minnesota Statutes 2004, section 349.15, subdivision 1, is amended to read:

Subdivision 1. [EXPENDITURE RESTRICTIONS.] (a) Gross profits from lawful gambling may be expended only for lawful purposes or allowable expenses as authorized by the membership of the conducting organization at a monthly meeting of the organization's membership. Provided that no more than 70 percent of the gross profit less the tax imposed under section 297E.02, subdivision 1, from bingo, and no more than 55 percent of the gross profit from other forms of lawful gambling, may be expended for allowable expenses related to lawful gambling.

(b) Effective July 1, 2006, no more than 70 percent of the gross profit less the tax imposed under section 297E.02, subdivision 1, from bingo, and no more than 60 percent of the gross profit from other forms of lawful gambling, may be expended for allowable expenses related to lawful gambling. Effective for licenses issued after June 30, 2006, compliance with this subdivision shall be measured by the board on a biennial basis, concurrent with the term of the license and shall be used as a condition for license renewal beginning July 1, 2008.

(c) Effective for licenses issued after June 30, 2006, organizations may request a waiver of the limits on allowable expenses from the board if the organization can demonstrate that it incurred necessary or unforeseeable expenses beyond the limits. The board shall develop criteria for which a waiver may be granted.

Sec. 7. Minnesota Statutes 2004, section 349.151, subdivision 4, is amended to read:

Subd. 4. [POWERS AND DUTIES.] (a) The board has the following powers and duties:

- (1) to regulate lawful gambling to ensure it is conducted in the public interest;
- (2) to issue licenses to organizations, distributors, distributor salespersons, ~~bingo halls~~, manufacturers, linked bingo game providers, and gambling managers;
- (3) to collect and deposit license, permit, and registration fees due under this chapter;

(4) to receive reports required by this chapter and inspect all premises, records, books, and other documents of organizations, distributors, manufacturers, and linked bingo game providers,~~and bingo halls~~ to insure compliance with all applicable laws and rules;

(5) to make rules authorized by this chapter;

(6) to register gambling equipment and issue registration stamps;

(7) to provide by rule for the mandatory posting by organizations conducting lawful gambling of rules of play and the odds and/or house percentage on each form of lawful gambling;

(8) to report annually to the governor and legislature on its activities and on recommended changes in the laws governing gambling;

(9) to impose civil penalties of not more than \$500 per violation on organizations, distributors, distributor salespersons, manufacturers, ~~bingo halls~~, linked bingo game providers, and gambling managers for failure to comply with any provision of this chapter or any rule or order of the board;

(10) to issue premises permits to organizations licensed to conduct lawful gambling;

(11) to delegate to the director the authority to issue or deny license and premises permit applications and renewals under criteria established by the board;

(12) to delegate to the director the authority to approve or deny fund loss requests, contribution of gambling funds to another licensed organization, and property expenditure requests under criteria established by the board;

(13) to suspend or revoke licenses and premises permits of organizations, distributors, distributor salespersons, manufacturers, ~~bingo halls~~, linked bingo game providers, or gambling managers as provided in this chapter;

(14) to approve or deny requests from licensees for:

(i) waivers from expense limits under section 349.15, subdivision 1;

(ii) waivers from fee requirements as provided in section 346.16, subdivision 6; and

(iii) variances from Gambling Control Board rules under section 14.055;

~~(13)~~ (15) to register employees of organizations licensed to conduct lawful gambling;

~~(14)~~ (16) to require fingerprints from persons determined by board rule to be subject to fingerprinting;

~~(15)~~ (17) to delegate to a compliance review group of the board the authority to investigate alleged violations, issue consent orders, and initiate contested cases on behalf of the board;

~~(16)~~ (18) to order organizations, distributors, distributor salespersons, manufacturers, ~~bingo halls~~, linked bingo game providers, and gambling managers to take corrective actions; and

~~(17)~~ (19) to take all necessary steps to ensure the integrity of and public confidence in lawful gambling.

(b) The board, or director if authorized to act on behalf of the board, may by citation assess any organization, distributor, ~~employee eligible to make sales on behalf of a~~ distributor salesperson, manufacturer, ~~bingo hall licensee~~, linked bingo game provider, or gambling manager a civil penalty of not more than \$500 per violation for a failure to comply with any provision of this chapter or any rule adopted or order issued by the board. Any organization, distributor, ~~bingo hall licensee~~ distributor salesperson, gambling manager, linked bingo game provider, or manufacturer assessed a civil penalty under this paragraph may request a hearing before the board. Appeals of citations imposing a civil penalty are not subject to the provisions of the Administrative Procedure Act.

(c) All penalties received by the board must be deposited in the general fund.

(d) All fees imposed by the board under sections 349.16 to 349.167 must be deposited in the state treasury and credited to a lawful gambling regulation account in the special revenue fund. Receipts in this account are available for the operations of the board up to the amount authorized in biennial appropriations from the legislature.

Sec. 8. Minnesota Statutes 2004, section 349.151, subdivision 4b, is amended to read:

Subd. 4b. [PULL-TAB SALES FROM DISPENSING DEVICES.] (a) The board may by rule authorize but not require the use of pull-tab dispensing devices.

(b) Rules adopted under paragraph (a):

(1) must limit the number of pull-tab dispensing devices on any permitted premises to three; and

(2) must limit the use of pull-tab dispensing devices to a permitted premises which is (i) a licensed premises for on-sales of intoxicating liquor or 3.2 percent malt beverages; or (ii) a ~~licensed bingo hall that allows gambling only~~ by premises where bingo is conducted and admission is restricted to persons 18 years or older.

(c) Notwithstanding rules adopted under paragraph (b), pull-tab dispensing devices may be used in establishments licensed for the off-sale of intoxicating liquor, other than drugstores and general food stores licensed under section 340A.405, subdivision 1.

Sec. 9. Minnesota Statutes 2004, section 349.151, is amended by adding a subdivision to read:

Subd. 4c. [ELECTRONIC BINGO.] (a) The board may by rule authorize but not require the use of electronic bingo devices.

(b) Rules adopted under paragraph (a):

(1) must limit the number of bingo faces that can be played using an electronic bingo device to 36;

(2) must require that an electronic bingo device be used with corresponding bingo paper sheets;

(3) must require that the electronic bingo device site system have dial-up capability to permit the board to remotely monitor the operation of the device and the internal accounting systems; and

(4) must prohibit the price of a face played on an electronic bingo device from being less than the price of a face on a bingo paper sheet sold at the same occasion.

Sec. 10. Minnesota Statutes 2004, section 349.152, subdivision 2, is amended to read:

Subd. 2. [DUTIES OF DIRECTOR.] The director has the following duties:

- (1) to carry out gambling policy established by the board;
- (2) to employ and supervise personnel of the board;
- (3) to advise and make recommendations to the board on rules, policy, and legislative initiatives;
- (4) to approve or deny operational requests from licensees as delegated by the board;
- (5) to issue licenses and premises permits as authorized by the board;
- ~~(5)~~ (6) to issue cease and desist orders;
- ~~(6)~~ (7) to make recommendations to the board on license issuance, denial, censure, suspension and revocation, civil penalties, and corrective action the board imposes;
- ~~(7)~~ (8) to ensure that board rules, policy, and decisions are adequately and accurately conveyed to the board's licensees;
- ~~(8)~~ (9) to conduct investigations, inspections, compliance reviews, and audits under this chapter; and
- ~~(9)~~ (10) to issue subpoenas to compel the attendance of witnesses and the production of documents, books, records, and other evidence relating to an investigation, compliance review, or audit the director is authorized to conduct.

Sec. 11. Minnesota Statutes 2004, section 349.153, is amended to read:

349.153 [CONFLICT OF INTEREST.]

- (a) A person may not serve on the board, be the director, or be an employee of the board who has an interest in any corporation, association, limited liability company, or partnership that is licensed by the board as a distributor, manufacturer, or linked bingo game provider, or bingo hall under section 349.164.
- (b) A member of the board, the director, or an employee of the board may not accept employment with, receive compensation directly or indirectly from, or enter into a contractual relationship with an organization that conducts lawful gambling, a distributor, a linked bingo game provider, ~~a bingo hall~~, or a manufacturer while employed with or a member of the board or within one year after terminating employment with or leaving the board.
- (c) A distributor, ~~bingo hall~~, manufacturer, linked bingo game provider, or organization licensed to conduct lawful gambling may not hire a former employee, director, or member of the Gambling Control Board for one year after the employee, director, or member has terminated employment with or left the Gambling Control Board.

Sec. 12. Minnesota Statutes 2004, section 349.155, subdivision 3, is amended to read:

Subd. 3. [MANDATORY DISQUALIFICATIONS.] (a) In the case of licenses for manufacturers, distributors, distributor salespersons, ~~bingo halls~~, linked bingo game providers, and gambling managers, the board may not issue or renew a license under this chapter, and shall revoke a license under this chapter, if the applicant or licensee, or a director, officer, partner, governor, or person in a supervisory or management position of the applicant or licensee:

(1) has ever been convicted of a felony or a crime involving gambling;

(2) has ever been convicted of (i) assault, (ii) a criminal violation involving the use of a firearm, or (iii) making terroristic threats;

(3) is or has ever been connected with or engaged in an illegal business;

(4) owes \$500 or more in delinquent taxes as defined in section 270.72;

(5) had a sales and use tax permit revoked by the commissioner of revenue within the past two years; or

(6) after demand, has not filed tax returns required by the commissioner of revenue. The board may deny or refuse to renew a license under this chapter, and may revoke a license under this chapter, if any of the conditions in this paragraph are applicable to an affiliate or direct or indirect holder of more than a five percent financial interest in the applicant or licensee.

(b) In the case of licenses for organizations, the board may not issue or renew a license under this chapter, and shall revoke a license under this chapter, if the organization, or an officer or member of the governing body of the organization:

(1) has been convicted of a felony or gross misdemeanor ~~within the five years before the issuance or renewal of the license~~ involving theft or fraud;

(2) has ever been convicted of a crime involving gambling; or

(3) has had a license issued by the board or director permanently revoked for violation of law or board rule.

Sec. 13. Minnesota Statutes 2004, section 349.16, subdivision 2, is amended to read:

Subd. 2. [ISSUANCE OF GAMBLING LICENSES.] (a) Licenses authorizing organizations to conduct lawful gambling may be issued by the board to organizations meeting the qualifications in paragraphs (b) to (h) if the board determines that the license is consistent with the purpose of sections 349.11 to 349.22.

(b) The organization must have been in existence for the most recent three years preceding the license application as a registered Minnesota nonprofit corporation or as an organization designated as exempt from the payment of income taxes by the Internal Revenue Code.

(c) The organization at the time of licensing must have at least 15 active members.

(d) The organization must not be in existence solely for the purpose of conducting gambling.

(e) The organization has identified in its license application the lawful purposes on which it proposes to expend net profits from lawful gambling.

(f) The organization has identified on its license application a gambling manager and certifies that the manager is qualified under this chapter.

(g) The organization must not, in the opinion of the board after consultation with the commissioner of revenue, be seeking licensing primarily for the purpose of evading or reducing the tax imposed by section 297E.02, subdivision 6.

(h) The organization has not exceeded the expenditure restrictions imposed under section 349.15, subdivision 1, or, if the organization has exceeded the expenditure restrictions imposed under section 349.15, subdivision 1, the organization has reimbursed any excess expenses from nongambling funds.

Sec. 14. Minnesota Statutes 2004, section 349.16, subdivision 8, is amended to read:

Subd. 8. [LOCAL INVESTIGATION FEE.] A statutory or home rule charter city or county notified under section 349.213, subdivision 2, may assess an investigation fee on organizations ~~or bingo halls~~ applying for or renewing a premises permit ~~or a bingo hall license~~. An investigation fee may not exceed the following limits:

- (1) for cities of the first class, \$500;
- (2) for cities of the second class, \$250;
- (3) for all other cities, \$100; and
- (4) for counties, \$375.

Sec. 15. Minnesota Statutes 2004, section 349.161, subdivision 5, is amended to read:

Subd. 5. [PROHIBITION.] (a) No distributor, distributor salesperson, or other employee of a distributor, may also be a wholesale distributor of alcoholic beverages or an employee of a wholesale distributor of alcoholic beverages.

(b) No distributor, distributor salesperson, or any representative, agent, affiliate, or other employee of a distributor, may: (1) be involved in the conduct of lawful gambling by an organization; (2) keep or assist in the keeping of an organization's financial records, accounts, and inventories; or (3) prepare or assist in the preparation of tax forms and other reporting forms required to be submitted to the state by an organization.

(c) No distributor, distributor salesperson, or any representative, agent, affiliate, or other employee of a distributor may provide a lessor of gambling premises any compensation, gift, gratuity, premium, or other thing of value.

(d) No distributor, distributor salesperson, or any representative, agent, affiliate, or other employee of a distributor may provide an employee or agent of the organization any compensation, gift, gratuity, premium, or other thing of value greater than \$25 per organization in a calendar year.

(e) No distributor, distributor salesperson, or any representative, agent, affiliate, or other employee of a distributor may participate in any gambling activity at any gambling site or premises where gambling equipment purchased from that distributor or distributor salesperson is being used in the conduct of lawful gambling.

~~(e)~~ (f) No distributor, distributor salesperson, or any representative, agent, affiliate, or other employee of a distributor may alter or modify any gambling equipment, except to add a "last ticket sold" prize sticker.

~~(f)~~ (g) No distributor, distributor salesperson, or any representative, agent, affiliate, or other employee of a distributor may: (1) recruit a person to become a gambling manager of an organization or identify to an organization a person as a candidate to become gambling manager for the organization; or (2) identify for an organization a potential gambling location.

~~(g)~~ (h) No distributor or distributor salesperson may purchase gambling equipment for resale to a person for use within the state from any person not licensed as a manufacturer under section 349.163, except for gambling equipment returned from an organization licensed under section 349.16, or exempt or excluded from licensing under section 349.166.

~~(h)~~ (i) No distributor or distributor salesperson may sell gambling equipment to any person for use in Minnesota other than (i) a licensed organization or organization excluded or exempt from licensing, or (ii) the governing body of an Indian tribe.

~~(i)~~ (j) No distributor or distributor salesperson may sell or otherwise provide a pull-tab or tipboard deal with the symbol required by section 349.163, subdivision 5, paragraph ~~(h)~~ (d), visible on the flare to any person other than in Minnesota to a licensed organization or organization exempt from licensing.

Sec. 16. Minnesota Statutes 2004, section 349.162, subdivision 1, is amended to read:

Subdivision 1. [~~STAMP REGISTRATION REQUIRED.~~] ~~(a)~~ A distributor may not sell, transfer, furnish, or otherwise provide to a person, and no person may purchase, borrow, accept, or acquire from a distributor gambling equipment for use within the state unless the equipment has been registered with the board ~~and has a registration stamp affixed, except for gambling equipment not stamped by the manufacturer pursuant to section 349.163, subdivision 5 or 8. Each stamp must bear a registration number assigned by the board.~~

~~(b) A manufacturer must return all unused registration stamps in its possession to the board by February 1, 1995. No manufacturer may possess unaffixed registration stamps after February 1, 1995.~~

~~(c) After February 1, 1996, no person may possess any unplayed pull-tab or tipboard deals with a registration stamp affixed to the flare or any unplayed paddleticket cards with a registration stamp affixed to the master flare. This paragraph does not apply to unplayed pull-tab or tipboard deals with a registration stamp affixed to the flare, or to unplayed paddleticket cards with a registration stamp affixed to the master flare, if the deals or cards are identified on a list of existing inventory submitted by a licensed organization or a licensed distributor, in a format prescribed by the commissioner of revenue, to the commissioner of revenue on or before February 1, 1996 or the Department of Revenue in a manner prescribed by the board or the Department of Revenue. Gambling equipment kept in violation of this paragraph subdivision is contraband under section 349.2125.~~

Sec. 17. Minnesota Statutes 2004, section 349.162, subdivision 4, is amended to read:

Subd. 4. [PROHIBITION.] (a) No person other than a licensed distributor ~~or licensed manufacturer~~ may possess unaffixed registration stamps issued by the board for the purpose of registering gambling equipment.

(b) Unless otherwise provided in this chapter, no person may possess gambling equipment that has not been ~~stamped and~~ registered.

(c) On and after January 1, 1991, no distributor may:

(1) sell a bingo hard card or paper sheet that does not bear an individual number; or

(2) sell a package of bingo paper sheets that does not contain bingo paper sheets in numerical order.

Sec. 18. Minnesota Statutes 2004, section 349.162, subdivision 5, is amended to read:

Subd. 5. [SALES FROM FACILITIES.] (a) All gambling equipment purchased or possessed by a licensed distributor for resale to any person for use in Minnesota must, prior to the equipment's resale, be unloaded into a storage facility located in Minnesota which the distributor owns or leases; and which has been registered, in advance

and in writing, with the Division of Alcohol and Gambling Enforcement as a storage facility of the distributor. All unregistered gambling equipment and all unaffixed registration stamps owned by, or in the possession of, a licensed distributor in the state of Minnesota shall be stored at a storage facility which has been registered with the Division of Alcohol and Gambling Enforcement. No gambling equipment may be moved from the facility unless the gambling equipment has been first registered with the board, ~~except for gambling equipment not stamped by the manufacturer pursuant to section 349.163, subdivision 5 or 8 or the Department of Revenue.~~

(b) Notwithstanding section 349.163, subdivisions 5, 6, and 8, a licensed manufacturer may ship into Minnesota approved or unapproved gambling equipment if the licensed manufacturer ships the gambling equipment to a Minnesota storage facility that is: (1) owned or leased by the licensed manufacturer; and (2) registered, in advance and in writing, with the Division of Alcohol and Gambling Enforcement as a manufacturer's storage facility. No gambling equipment may be shipped into Minnesota to the manufacturer's registered storage facility unless the shipment of the gambling equipment is reported to the Department of Revenue in a manner prescribed by the department. No gambling equipment may be moved from the storage facility unless the gambling equipment is sold to a licensed distributor and is otherwise in conformity with this chapter, is shipped to an out-of-state site and the shipment is reported to the Department of Revenue in a manner prescribed by the department, or is otherwise sold and shipped as permitted by board rule.

(c) All storage facilities owned, leased, used, or operated by a licensed distributor or manufacturer may be entered upon and inspected by the employees of the Division of Alcohol and Gambling Enforcement, the Division of Alcohol and Gambling Enforcement director's authorized representatives, employees of the Gambling Control Board or its authorized representatives, employees of the Department of Revenue, or authorized representatives of the director of the Division of Special Taxes of the Department of Revenue during reasonable and regular business hours. Obstruction of, or failure to permit, entry and inspection is cause for revocation or suspension of a manufacturer's or distributor's licenses and permits issued under this chapter.

(d) Unregistered gambling equipment and unaffixed registration stamps found at any location in Minnesota other than the manufacturing plant of a licensed manufacturer or a registered storage facility are contraband under section 349.2125. This paragraph does not apply:

(1) to unregistered gambling equipment being transported in interstate commerce between locations outside this state, if the interstate shipment is verified by a bill of lading or other valid shipping document; and

(2) to gambling equipment ~~not stamped by the manufacturer pursuant to section 349.163, subdivision 5 or 8~~ registered with the Department of Revenue for distribution to the tribal casinos.

Sec. 19. Minnesota Statutes 2004, section 349.163, subdivision 3, is amended to read:

Subd. 3. [PROHIBITED SALES.] (a) A manufacturer may not:

(1) sell gambling equipment for use or resale within the state to any person not licensed as a distributor, except that gambling equipment used exclusively in a linked bingo game may be sold to a licensed linked bingo provider; or

(2) sell gambling equipment to a distributor in this state that has the same serial number as another item of gambling equipment of the same type that is sold by that manufacturer for use or resale in this state.

(b) A manufacturer, affiliate of a manufacturer, or person acting as a representative or agent of a manufacturer may not provide a lessor of gambling premises or an appointed official any compensation, gift, gratuity, premium, contribution, or other thing of value.

(c) A manufacturer may not sell or otherwise provide a pull-tab or tipboard deal with the symbol required by subdivision 5, paragraph ~~(h)~~ (d), imprinted on the flare to any person other than a licensed distributor unless the manufacturer first renders the symbol permanently invisible.

Sec. 20. Minnesota Statutes 2004, section 349.1635, subdivision 4, is amended to read:

Subd. 4. [PROHIBITION.] (a) Except for services associated exclusively with a linked bingo game, a linked bingo game provider may not participate or assist in the conduct of lawful gambling by an organization. No linked bingo game provider may:

(1) ~~also be licensed as a bingo hall or~~ hold any financial or managerial interest in a premises leased for the conduct of bingo hall;

(2) also be licensed as a distributor or hold any financial or managerial interest in a distributor;

(3) sell or lease linked bingo game equipment to any person not licensed as an organization;

(4) purchase gambling equipment to be used exclusively in a linked bingo game from any person not licensed as a manufacturer under section 349.163; and

(5) provide an organization, a lessor of gambling premises, or an appointed official any compensation, gift, gratuity, premium, or contribution.

(b) Employees of the board and the Division of Alcohol and Gambling Enforcement may inspect the books, records, inventory, and business premises of a licensed linked bingo game provider without notice during the normal business hours of the linked bingo game provider. The board may charge a linked bingo game provider for the actual cost of conducting scheduled or unscheduled inspections of the licensee's facilities.

Sec. 21. Minnesota Statutes 2004, section 349.166, subdivision 1, is amended to read:

Subdivision 1. [EXCLUSIONS.] (a) Bingo, with the exception of linked bingo games, may be conducted without a license and without complying with sections 349.168, subdivisions 1 and 2; 349.17, subdivisions 1, 4, and 5; 349.18, subdivision 1; and 349.19, if it is conducted:

(1) by an organization in connection with a county fair, the state fair, or a civic celebration and is not conducted for more than 12 consecutive days and is limited to no more than four separate applications for activities applied for and approved in a calendar year; or

(2) by an organization that conducts four or fewer bingo occasions in a calendar year.

An organization that holds a license to conduct lawful gambling under this chapter may not conduct bingo under this subdivision.

(b) Bingo may be conducted within a nursing home or a senior citizen housing project or by a senior citizen organization if the prizes for a single bingo game do not exceed \$10, total prizes awarded at a single bingo occasion do not exceed \$200, no more than two bingo occasions are held by the organization or at the facility each week, only members of the organization or residents of the nursing home or housing project are allowed to play in a bingo game, no compensation is paid for any persons who conduct the bingo, and a manager is appointed to supervise the bingo. Bingo conducted under this paragraph is exempt from sections 349.11 to 349.23, and the board may not require an organization that conducts bingo under this paragraph, or the manager who supervises the bingo, to register or file a report with the board. The gross receipts from bingo conducted under the limitations of this subdivision are exempt from taxation under chapter 297A.

(c) Raffles may be conducted by an organization without a license and without complying with sections 349.154 to 349.165 and 349.167 to 349.213 registering with the board if the value of all raffle prizes awarded by the organization in a calendar year does not exceed \$1,500.

(d) Except as provided in paragraph (b), the organization must maintain all required records of excluded gambling activity for 3-1/2 years.

Sec. 22. Minnesota Statutes 2004, section 349.166, subdivision 2, is amended to read:

Subd. 2. [EXEMPTIONS.] (a) Lawful gambling, with the exception of linked bingo games, may be conducted by an organization without a license and without complying with sections 349.168, subdivisions 1 and 2; 349.17, subdivisions 4 and 5; 349.18, subdivision 1; and 349.19 if:

(1) the organization conducts lawful gambling on five or fewer days in a calendar year;

(2) the organization does not award more than \$50,000 in prizes for lawful gambling in a calendar year;

(3) the organization pays a fee of \$50 to the board, notifies the board in writing not less than 30 days before each lawful gambling occasion of the date and location of the occasion, or 60 days for an occasion held in the case of a city of the first class, the types of lawful gambling to be conducted, the prizes to be awarded, and receives an exemption identification number;

(4) the organization notifies the local government unit 30 days before the lawful gambling occasion, or 60 days for an occasion held in a city of the first class;

(5) the organization purchases all gambling equipment and supplies from a licensed distributor; and

(6) the organization reports to the board, on a single-page form prescribed by the board, within 30 days of each gambling occasion, the gross receipts, prizes, expenses, expenditures of net profits from the occasion, and the identification of the licensed distributor from whom all gambling equipment was purchased.

(b) If the organization fails to file a timely report as required by paragraph (a), clause (3) or (6), the board shall not issue any authorization, license, or permit to the organization to conduct lawful gambling on an exempt, excluded, or licensed basis until the report has been filed and the organization may be subject to penalty as determined by the board.

(c) Merchandise prizes must be valued at their fair market value.

(d) Organizations that qualify to conduct exempt raffles under paragraph (a), are exempt from section 349.173, paragraph (b), clause (2), if the raffle tickets are sold only in combination with an organization's membership or a ticket for an organization's membership dinner and are not included with any other raffle conducted under the exempt permit.

(e) Unused pull-tab and tipboard deals must be returned to the distributor within seven working days after the end of the lawful gambling occasion. The distributor must accept and pay a refund for all returns of unopened and undamaged deals returned under this paragraph.

(f) An organization that is exempt from taxation on purchases of pull-tabs and tipboards under section 297E.02, subdivision 4, paragraph (b), clause (4), must return to the distributor any tipboard or pull-tab deal no part of which is used at the lawful gambling occasion for which it was purchased by the organization.

(g) The organization must maintain all required records of exempt gambling activity for 3-1/2 years.

Sec. 23. Minnesota Statutes 2004, section 349.167, subdivision 1, is amended to read:

Subdivision 1. [GAMBLING MANAGER REQUIRED.] (a) All lawful gambling conducted by a licensed organization must be under the supervision of a gambling manager. A gambling manager designated by an organization to supervise lawful gambling is responsible for the gross receipts of the organization and for its conduct in compliance with all laws and rules. A person designated as a gambling manager shall maintain a ~~fidelity~~ dishonesty bond in the sum of \$10,000 in favor of the organization conditioned on the faithful performance of the manager's duties. The terms of the bond must provide that notice be given to the board in writing not less than 30 days before its cancellation.

(b) A person may not act as a gambling manager for more than one organization.

(c) An organization may not conduct lawful gambling without having a gambling manager.

(d) An organization may not have more than one gambling manager at any time.

Sec. 24. Minnesota Statutes 2004, section 349.168, subdivision 8, is amended to read:

Subd. 8. [PERCENTAGE OF GROSS PROFIT PAID.] (a) A licensed organization may pay a percentage of the gross profit from raffle ticket sales to a nonprofit organization that sells raffle tickets for the licensed organization.

(b) A licensed organization may compensate an employee of the organization for the sale of gambling equipment at a bar operation if the frequency of the activity is one day or less per week and the games are limited to 32 chances or less per game. For purposes of this paragraph, an employee shall not be a lessor, an employee of the lessor, or an immediate family member of the lessor.

Sec. 25. Minnesota Statutes 2004, section 349.17, subdivision 5, is amended to read:

Subd. 5. [BINGO CARDS AND SHEETS.] (a) The board shall by rule require that all licensed organizations: (1) conduct bingo only using liquid daubers on bingo paper sheets that bear an individual number recorded by the distributor or linked bingo game provider; and (2) use each bingo paper sheet for no more than one bingo occasion. In lieu of the requirements of clause (2), a licensed organization may electronically record the sale of each bingo hard card or paper sheet at each bingo occasion using an electronic recording system approved by the board.

(b) The requirements of paragraph (a) shall only apply to a licensed organization that received gross receipts from bingo in excess of \$150,000 in the organization's last fiscal year.

Sec. 26. Minnesota Statutes 2004, section 349.17, subdivision 7, is amended to read:

Subd. 7. [~~NOON HOUR BAR BINGO.~~] ~~Notwithstanding subdivisions 1 and 3,~~ An organization may conduct bar bingo subject to the following restrictions:

~~(1) the bingo is conducted only between the hours of 11:00 a.m. and 2:00 p.m.;~~

~~(2) the bingo is conducted at a site the organization owns or leases and which has a license for the sale of intoxicating beverages on the premises under chapter 340A;~~

~~(3) the bingo is limited to one progressive bingo game per site as defined by section 349.211, subdivision 2;~~

~~(4)~~ (2) the bingo is conducted using only bingo paper sheets purchased from a licensed distributor;

~~(5) if the premises are leased, the (3) no rent may not exceed \$25 per day for each day bingo is conducted be paid for a bar bingo occasion; and~~

~~(6) (4) linked bingo games may not be conducted at a noon-hour bar bingo occasion.~~

Sec. 27. Minnesota Statutes 2004, section 349.1711, subdivision 1, is amended to read:

Subdivision 1. [SALE OF TICKETS.] Tipboard games must be played using only tipboard tickets that are either (1) attached to a placard and arranged in columns or rows, or (2) separate from the placard and contained in a receptacle while the game is in play. The placard serves as the game flare. The placard must contain a seal that conceals the winning number or symbol. When a tipboard ticket is purchased and opened from a game containing more than 32 tickets, each player having a tipboard ticket with one or more predesignated numbers or symbols must sign the placard at the line indicated by the number or symbol on the tipboard ticket.

Sec. 28. Minnesota Statutes 2004, section 349.173, is amended to read:

349.173 [CONDUCT OF RAFFLES.]

(a) Raffle tickets or certificates of participation at a minimum must list the three most expensive prizes to be awarded. If additional prizes will be awarded that are not contained on the raffle ticket, the raffle ticket must contain the statement "A complete list of additional prizes is available upon request.", a complete list of additional prizes must be publicly posted at the event and copies of the complete prize list made available upon request. Notwithstanding section 349.12, subdivision 33, raffles conducted under the exemptions in section 349.166 may use tickets that contain only the sequential number of the raffle ticket and no other information if the organization makes a list of prizes and a statement of other relevant information required by rule available to persons purchasing tickets and if tickets are only sold at the event and on the date when the tickets are drawn.

(b) Raffles must be conducted in a manner that ensures:

(1) all entries in the raffle have an equal chance of selection;

(2) entry in the raffle is not conditional upon any other purchase;

(3) the method of selection is conducted in a public forum;

(4) the method of selection cannot be manipulated or based on the outcome of an event not under the control of the organization;

(5) physical presence at the raffle is not a requirement to win; and

(6) all sold and unsold tickets or certificates of participation are accounted for.

(c) Methods of selecting winning entries from a raffle other than prescribed in rule may be used with the prior written approval of the board.

[EFFECTIVE DATE.] This section is effective the day following final enactment.

Sec. 29. Minnesota Statutes 2004, section 349.18, subdivision 1, is amended to read:

Subdivision 1. [LEASE OR OWNERSHIP REQUIRED; RENT LIMITATIONS.] (a) An organization may conduct lawful gambling only on premises it owns or leases. Leases must be on a form prescribed by the board. Except for leases entered into before August 1, 1994, the term of the lease may not begin before the effective date of the premises permit and must expire on the same day that the premises permit expires. Copies of all leases must be made available to employees of the board and the Division of Alcohol and Gambling Enforcement on request. The board may prescribe by rule limits on the amount of rent which an organization may pay to a lessor for premises leased for bingo. Any rule adopted by the board limiting the amount of rent to be paid may only be effective for leases entered into, or renewed, after the effective date of the rule.

(b) Rent paid by an organization for leased premises for the conduct of pull-tabs, tipboards, and paddlewheels is subject to the following limits:

(1) for booth operations, including booth operations where a pull-tab dispensing device is located, booth operations where a bar operation is also conducted, and booth operations where both a pull-tab dispensing device is located and a bar operation is also conducted, the maximum rent is:

(i) in any month where the organization's gross profit at those premises does not exceed \$4,000, up to \$400; and

(ii) in any month where the organization's gross profit at those premises exceeds \$4,000, up to \$400 plus not more than ten percent of the gross profit for that month in excess of \$4,000;

(2) for bar operations, including bar operations where a pull-tab dispensing device is located but not including bar operations subject to clause (1), and for locations where only a pull-tab dispensing device is located:

(i) in any month where the organization's gross profit at those premises does not exceed \$1,000, up to \$200; and

(ii) in any month where the organization's gross profit at those premises exceeds \$1,000, up to \$200 plus not more than 20 percent of the gross profit for that month in excess of \$1,000;

(3) a lease not governed by clauses (1) and (2) must be approved by the board before becoming effective;

(4) total rent paid to a lessor from all organizations from leases governed by clause (1) may not exceed \$1,750 per month. Total rent paid to a lessor from all organizations from leases governed by clause (2) may not exceed \$2,500 per month;

(5) notwithstanding clauses (1) to (4), the board may prohibit an organization from paying rent to a lessor if illegal gambling occurred at the site and the lessor or its employees knew of or participated in the illegal gambling.

(c) Rent paid by an organization for leased premises for the conduct of bingo is subject to either of the following limits at the option of the parties to the lease:

(1) not more than ten percent of the monthly gross profit from all lawful gambling activities held during bingo occasions excluding bar bingo or at a rate based on a cost per square foot not to exceed 110 percent of a comparable cost per square foot for leased space as approved by the director; and

(2) no rent may be paid for bar bingo.

(d) Amounts paid as rent under leases are all-inclusive. No other services or expenses provided or contracted by the lessor may be paid by the organization, including, but not limited to, trash removal, janitorial and cleaning services, snow removal, lawn services, electricity, heat, security, security monitoring, storage, other utilities or services, and, in the case of bar operations, cash shortages, unless approved by the director. Any other expenditure made by an organization that is related to a leased premises must be approved by the director. An organization may not provide any compensation or thing of value to a lessor or the lessor's employees from any fund source other than its gambling account. Rent payments may not be made to an individual.

~~(d)~~ (e) Notwithstanding paragraph (b), an organization may pay a lessor for food or beverages or meeting room rental if the charge made is comparable to similar charges made to other individuals or groups.

~~(e)~~ (f) No person, distributor, manufacturer, lessor, linked bingo game provider, or organization other than the licensed organization leasing the space may conduct any activity other than the sale or serving of food and beverages on the leased premises during times when lawful gambling is being conducted on the premises.

~~(f)~~ (g) At a site where the leased premises consists of an area on or behind a bar at which alcoholic beverages are sold and employees of the lessor are employed by the organization as pull-tab sellers at the site, pull-tabs and tipboard tickets may be sold and redeemed by those employees at any place on or behind the bar, but the tipboards and receptacles for pull-tabs and cash drawers for lawful gambling receipts must be maintained only within the leased premises.

~~(g)~~ (h) Employees of a lessor or employees of an organization may participate in lawful gambling on the premises provided (1) if pull-tabs or tipboards are sold, the organization voluntarily posts, or is required to post, the major prizes as specified in section 349.172; and (2) any employee ~~of the lessor~~ participating in lawful gambling is not a gambling employee for the organization conducting lawful gambling on the premises.

~~(h)~~ (i) A gambling employee may purchase pull-tabs or tipboards at the site of the employee's place of employment provided:

(1) the organization voluntarily posts, or is required to post, the major prizes for pull-tab or tipboard games as specified in section 349.172; and

(2) the employee is not involved in the sale of pull-tabs or tipboards at that site.

~~(i)~~ (j) At a leased site where an organization uses a paddlewheel consisting of 30 numbers or less or a tipboard consisting of 30 tickets or less, tickets may be sold throughout the permitted premises, but winning tickets must be redeemed, the paddlewheel must be located, and the tipboard seal must be opened within the leased premises.

~~(j)~~ (k) A member of the lessor's immediate family may not be a compensated employee of an organization leasing space at the premises. For purposes of this paragraph, a "member of the immediate family" is a spouse, parent, child, or sibling.

Sec. 30. Minnesota Statutes 2004, section 349.19, subdivision 4, is amended to read:

Subd. 4. [DISCREPANCIES.] If at a bingo occasion a discrepancy of more than ~~\$20~~ \$50 is found between the gross receipts as reported by the checkers and the gross receipts determined by adding the cash receipts, the discrepancy must be reported to the board within five days of the bingo occasion.

Sec. 31. Minnesota Statutes 2004, section 349.19, subdivision 10, is amended to read:

Subd. 10. [PULL-TAB RECORDS.] (a) The board shall by rule require a licensed organization to require each winner of a pull-tab prize of \$50 or more to present identification in the form of a driver's license, Minnesota identification card, or other identification the board deems sufficient to allow the identification and tracing of the winner. The rule must require the organization to retain winning pull-tabs of \$50 or more, and the identification of the winner of the pull-tab, for 3-1/2 years.

(b) An organization must maintain separate cash banks for each deal of pull-tabs unless (1) two or more deals are commingled in a ~~single receptacle~~ pull-tab dispensing device, or (2) the organization uses a cash register, of a type approved by the board, which records all sales of pull-tabs by separate deals.

(c) The board shall:

(1) by rule adopt minimum technical standards for cash registers that may be used by organizations, and shall approve for use by organizations any cash register that meets the standards; and

(2) before allowing an organization to use a cash register that commingles receipts from several different pull-tab games in play, adopt rules that define how cash registers may be used and that establish a procedure for organizations to reconcile all pull-tab games in play at the end of each month.

Sec. 32. Minnesota Statutes 2004, section 349.211, subdivision 2c, is amended to read:

Subd. 2c. [TIPBOARD PRIZES.] The maximum prize which may be awarded for a tipboard ticket is ~~\$500~~ \$599, not including any cumulative or carryover prizes. Cumulative or carryover prizes in tipboard games shall not exceed \$2,500.

Sec. 33. Minnesota Statutes 2004, section 349.2125, subdivision 1, is amended to read:

Subdivision 1. [CONTRABAND DEFINED.] The following are contraband:

(1) all pull-tab or tipboard deals or paddleticket cards not ~~stamped or~~ bar coded in accordance with this chapter or chapter 297E;

(2) all pull-tab or tipboard deals in the possession of any unlicensed person, firm, or organization, ~~whether stamped or unstamped~~;

(3) any container used for the storage and display of any contraband pull-tab or tipboard deals as defined in clauses (1) and (2);

(4) all currency, checks, and other things of value used for pull-tab or tipboard transactions not expressly permitted under this chapter, and any cash drawer, cash register, or any other container used for illegal pull-tab or tipboard transactions including its contents;

(5) any device including, but not limited to, motor vehicles, trailers, snowmobiles, airplanes, and boats used, with the knowledge of the owner or of a person operating with the consent of the owner, for the storage or transportation of more than five pull-tab or tipboard deals that are contraband under this subdivision. When pull-tabs and tipboards are being transported in the course of interstate commerce between locations outside this state, the pull-tab and tipboard deals are not contraband, notwithstanding the provisions of clauses (1) and (2);

(6) any unaffixed registration stamps except as provided in section 349.162, subdivision 4;

(7) any prize used or offered in a game utilizing contraband as defined in this subdivision;

(8) any altered, modified, or counterfeit pull-tab or tipboard ticket;

(9) any unregistered gambling equipment except as permitted by this chapter;

(10) any gambling equipment kept in violation of section 349.18;

(11) any gambling equipment not in conformity with law or board rule;

(12) any pull-tab or tipboard deal in the possession of a person other than a licensed distributor or licensed manufacturer for which the person, upon demand of a licensed peace officer or authorized agent of the commissioner of revenue or director of alcohol and gambling enforcement, does not immediately produce for inspection the invoice or a true and correct copy of the invoice for the acquisition of the deal from a licensed distributor;

(13) any pull-tab or tipboard deals or portions of deals on which the tax imposed under chapter 297E has not been paid; and

(14) any device prohibited by section 609.76, subdivisions 4 to 6.

Sec. 34. Minnesota Statutes 2004, section 349.213, is amended to read:

349.213 [LOCAL AUTHORITY.]

Subdivision 1. [LOCAL REGULATION.] (a) A statutory or home rule city or county has the authority to adopt more stringent regulation of lawful gambling within its jurisdiction, including the prohibition of lawful gambling, and may require a permit for the conduct of gambling exempt from licensing under section 349.166. The fee for a permit issued under this subdivision may not exceed \$100. The authority granted by this subdivision does not include the authority to require a license or permit to conduct gambling by organizations or sales by distributors or linked bingo game providers licensed by the board. The authority granted by this subdivision does not include the authority to require an organization to make specific expenditures of more than ten percent per year from its net profits derived from lawful gambling. For the purposes of this subdivision, net profits are gross profits less amounts expended for allowable expenses and paid in taxes assessed on lawful gambling. A statutory or home rule charter city or a county may not require an organization conducting lawful gambling within its jurisdiction to make an expenditure to the city or county as a condition to operate within that city or county, except as authorized under section 349.16, subdivision 8, or 297E.02; provided, however, that an ordinance requirement that such organizations must contribute ten percent per year of their net profits derived from lawful gambling conducted at premises within the city's or county's jurisdiction to a fund administered and regulated by the responsible local unit of government without cost to such fund, for disbursement by the responsible local unit of government of the receipts for (i) lawful purposes, or (ii) police, fire, and other emergency or public safety-related services, equipment, and training, excluding pension obligations, is not considered an expenditure to the city or county nor a tax under section 297E.02, and is valid and lawful. A city or county making expenditures authorized under this paragraph must by March 15 of each year file a report with the board, on a form the board prescribes, that lists all such revenues collected and expenditures for the previous calendar year.

(b) A statutory or home rule city or county may by ordinance require that a licensed organization conducting lawful gambling within its jurisdiction expend all or a portion of its expenditures for lawful purposes on lawful purposes conducted or located within the city's or county's trade area. Such an ordinance must be limited to lawful purpose expenditures of gross profits derived from lawful gambling conducted at premises within the city's or county's jurisdiction, must define the city's or county's trade area, and must specify the percentage of lawful purpose expenditures which must be expended within the trade area. A trade area defined by a city under this subdivision must include each city and township contiguous to the defining city.

(c) A more stringent regulation or prohibition of lawful gambling adopted by a political subdivision under this subdivision must apply equally to all forms of lawful gambling within the jurisdiction of the political subdivision, except a political subdivision may prohibit the use of paddlewheels.

Subd. 2. [LOCAL APPROVAL.] Before issuing or renewing a premises permit ~~or bingo hall license~~, the board must notify the city council of the statutory or home rule city in which the organization's premises ~~or the bingo hall~~ is located or, if the premises ~~or hall~~ is located outside a city, the county board of the county and the town board of the town where the premises ~~or hall~~ is located. The board may require organizations ~~or bingo halls~~ to notify the appropriate local government at the time of application. This required notification is sufficient to constitute the notice required by this subdivision. The board may not issue or renew a premises permit ~~or bingo hall license~~ unless the organization submits a resolution from the city council or county board approving the premises permit ~~or bingo hall license~~. The resolution must have been adopted within 90 days of the date of application for the new or renewed permit or license.

Subd. 3. [LOCAL GAMBLING TAX.] A statutory or home rule charter city that has one or more licensed organizations operating lawful gambling, and a county that has one or more licensed organizations outside incorporated areas operating lawful gambling, may impose a local gambling tax on each licensed organization within the city's or county's jurisdiction. The tax may be imposed only if the amount to be received by the city or county is necessary to cover the costs incurred by the city or county to regulate lawful gambling. The tax imposed by this subdivision may not exceed three percent per year of the gross receipts of a licensed organization from all lawful gambling less prizes actually paid out by the organization. A city or county may not use money collected under this subdivision for any purpose other than to regulate lawful gambling. All documents pertaining to site inspections, fines, penalties, or other corrective action involving local lawful gambling regulation must be shared with the board within 30 days of filing at the city or county of jurisdiction. A tax imposed under this subdivision is in lieu of all other local taxes and local investigation fees on lawful gambling. A city or county that imposes a tax under this subdivision shall annually, by March 15, file a report with the board in a form prescribed by the board showing (1) the amount of revenue produced by the tax during the preceding calendar year, and (2) the use of the proceeds of the tax.

Sec. 35. Minnesota Statutes 2004, section 609.75, subdivision 1, is amended to read:

Subdivision 1. [LOTTERY.] (a) A lottery is a plan which provides for the distribution of money, property or other reward or benefit to persons selected by chance from among participants some or all of whom have given a consideration for the chance of being selected. A participant's payment for use of a 900 telephone number or another means of communication that results in payment to the sponsor of the plan constitutes consideration under this paragraph.

(b) An in-package chance promotion is not a lottery if all of the following are met:

(1) participation is available, free and without purchase of the package, from the retailer or by mail or toll-free telephone request to the sponsor for entry or for a game piece;

(2) the label of the promotional package and any related advertising clearly states any method of participation and the scheduled termination date of the promotion;

(3) the sponsor on request provides a retailer with a supply of entry forms or game pieces adequate to permit free participation in the promotion by the retailer's customers;

(4) the sponsor does not misrepresent a participant's chances of winning any prize;

(5) the sponsor randomly distributes all game pieces and maintains records of random distribution for at least one year after the termination date of the promotion;

(6) all prizes are randomly awarded if game pieces are not used in the promotion; and

(7) the sponsor provides on request of a state agency a record of the names and addresses of all winners of prizes valued at \$100 or more, if the request is made within one year after the termination date of the promotion.

(c) Except as provided by section 349.40, acts in this state in furtherance of a lottery conducted outside of this state are included notwithstanding its validity where conducted.

(d) The distribution of property, or other reward or benefit by an employer to persons selected by chance from among participants ~~who~~, all of whom:

(1) have made a contribution through a payroll or pension deduction campaign to a registered combined charitable organization, within the meaning of section 309.501; or

(2) have paid other consideration to the employer entirely for the benefit of such a registered combined charitable organization, as a precondition to the chance of being selected, is not a lottery if:

(1) (i) all of the persons eligible to be selected are employed by or retirees of the employer; and

(2) (ii) the cost of the property or other reward or benefit distributed and all costs associated with the distribution are borne by the employer.

#### Sec. 36. [SPORTS-THEMED TIPBOARDS.]

Subdivision 1. [PILOT PROJECT.] (a) The Gambling Control Board shall conduct a pilot program involving the conduct of sports-themed tipboards. For purposes of this section, a "sports-themed tipboard" means a board or placard that is not required to contain a seal, but for which the winning numbers are determined based upon the last number of the scores at specified intervals of a professional sporting event. The board is responsible for all costs associated with the pilot project.

(b) In conducting the pilot project, the board shall provide for operation procedures, internal control standards, posted information, records, and reports. The board must also provide for the award of prizes, method of payout, wagers, determination of winners, and the specifications of sports-themed tipboards. Cash or merchandise prizes may be awarded, however, the maximum prize which may be awarded for a sports-themed tipboard is \$500. A chance for a sports-themed tipboard may not be sold for more than \$10.

(c) Sales of sports-themed tipboards are limited to organizations that are currently licensed to conduct lawful gambling under Minnesota Statutes, chapter 349. The board shall select ten sites for the conduct of sports-themed tipboards. In selecting sites, the board shall maintain geographic balance.

Subd. 2. [REPORT.] The board shall prepare a report to the governor and the legislature on the results of the pilot project by February 15, 2006. The report must identify additional costs of the sports-themed tipboards, if any, that would be incurred by other state government agencies.

Subd. 3. [SUNSET.] This section expires January 15, 2006.

Sec. 37. [REPEALER.]

Minnesota Statutes 2004, sections 349.162, subdivision 3; 349.164; and 349.17, subdivision 1, are repealed.

## ARTICLE 2

### LOTTERY SERVICE BUSINESS

Section 1. [299L.09] [LOTTERY SERVICE BUSINESS.]

Subdivision 1. [DEFINITION.] For purposes of this section:

(a) A "lottery service business" is a commercial enterprise that for a fee or commission purchases lottery tickets on behalf of customers or subscribers.

(b) "Division" means the Division of Alcohol and Gambling Enforcement in the Department of Public Safety.

(c) "Commissioner" means the commissioner of public safety acting through the division.

(d) "Disqualifying offense" means any felony, gross misdemeanor, and any criminal offense involving fraud, misrepresentation, or deceit.

Subd. 2. [REQUIRED STATEMENTS.] (a) All print advertising in any medium published by or on behalf of a lottery service business, and all print communications intended to solicit members, including Internet solicitations, for each lottery pool or subscription service offered, must contain a clear and prominent statement that discloses to the subscriber, either in print or in electronic format, a statement that describes how much of each subscriber's fees are used to buy tickets.

(b) All advertising and solicitation described in paragraph (a) must contain the following statement in clear and readable type: "This business is not affiliated with and is not an agent of the Minnesota State Lottery."

Subd. 3. [PROHIBITIONS.] (a) A lottery service business may not accept as a customer or subscriber any person under age 18, or make a payment of lottery winnings to a person under age 18.

(b) Except as necessary for the lottery service business to fill a pool, a lottery service business and any officer, director, or employee of the business may not have any stake or own any shares in any lottery pool it creates for customers or subscribers.

Subd. 4. [LOTTERY PRIZE ACCOUNT.] A lottery service business must deposit all money received as winnings from lottery tickets bought for or on behalf of customers or subscribers into a lottery prize account that it maintains separately from all other accounts of the business. The business may expend money from the account, including interest thereon, only to pay winnings to customers or subscribers and to make payments required under subdivision 5.

Subd. 5. [UNCLAIMED PRIZES.] (a) A lottery service business must make all good-faith efforts to distribute money in its lottery prize account to customers and subscribers entitled thereto.

(b) Any money deposited in the lottery prize account that has not been distributed to customers or subscribers as winnings within one year after the date of deposit becomes an unclaimed prize. A lottery service business must transmit all unclaimed prizes, including all interest earned thereon while the prize was in the lottery prize account, to the director of the State Lottery. All unclaimed prizes must be transmitted within four months after the prize became an unclaimed prize. Transmission of unclaimed prizes shall occur on January 15, April 15, July 15, and October 15 of each year. The director of the State Lottery shall deposit all payments under this subdivision in the general fund. This subdivision does not apply if the amount of money in the account is less than \$25.

Subd. 6. [BOOKS AND RECORDS.] A lottery service business must keep a complete accounting and all records necessary to show fully the lottery service business's lottery transactions, including incoming revenue, tickets purchased, and winnings distributed.

**[EFFECTIVE DATE.]** Article 2 is effective August 1, 2005.

### ARTICLE 3

#### VIDEO GAME OF CHANCE

Section 1. Minnesota Statutes 2004, section 609.75, subdivision 8, is amended to read:

Subd. 8. [VIDEO GAME OF CHANCE.] A video game of chance is a game or device that simulates one or more games commonly referred to as poker, blackjack, craps, hi-lo, roulette, or other common gambling forms, though not offering any type of pecuniary award or gain to players. The term also includes any video game having one or more of the following characteristics:

(1) it is primarily a game of chance, and has no substantial elements of skill involved;

(2) it awards game credits or replays and contains a meter or device that records unplayed credits or replays. A video game that simulates horse racing that does not involve a prize payout is not a video game of chance.

**[EFFECTIVE DATE.]** This section is effective the day following final enactment.

### ARTICLE 4

#### SOCIAL SKILL GAME

Section 1. Minnesota Statutes 2004, section 609.761, subdivision 3, is amended to read:

Subd. 3. [SOCIAL SKILL GAME.] Sections 609.755 and 609.76 do not prohibit tournaments or contests that satisfy all of the following requirements:

(1) the tournament or contest consists of the card games of chance commonly known as cribbage, skat, sheephead, bridge, euchre, pinochle, gin, 500, smear, Texas hold'em, or whist;

(2) the tournament or contest does not provide any direct financial benefit to the promoter or organizer; ~~and~~

(3) the ~~sum~~ value of all prizes awarded for each tournament or contest does not exceed \$200; and

(4) for a tournament or contest involving Texas hold'em:

(i) the payment of an entry fee or other consideration for participating is prohibited;

(ii) the value of all prizes awarded to an individual winner of a tournament or contest at a single location may not exceed \$200 each day; and

(iii) the organizer or promoter must ensure that reasonable accommodations are made for players with disabilities. Accommodations to the table and the cards shall include the announcement of the cards visible to the entire table and the use of Braille cards for players who are blind.

**[EFFECTIVE DATE.]** This section is effective the day following final enactment and applies to acts committed on or after that date."

Delete the title and insert:

"A bill for an act relating to gaming; amending various provisions relating to lawful gambling; amending and providing definitions; making technical, clarifying, and conforming changes; providing for sports-themed tipboard games; providing for electronic bingo; regulating lottery service businesses; authorizing certain video games of chance and social skill games; amending Minnesota Statutes 2004, sections 349.12, subdivisions 5, 25, 33, by adding subdivisions; 349.15, subdivision 1; 349.151, subdivisions 4, 4b, by adding a subdivision; 349.152, subdivision 2; 349.153; 349.155, subdivision 3; 349.16, subdivisions 2, 8; 349.161, subdivision 5; 349.162, subdivisions 1, 4, 5; 349.163, subdivision 3; 349.1635, subdivision 4; 349.166, subdivisions 1, 2; 349.167, subdivision 1; 349.168, subdivision 8; 349.17, subdivisions 5, 7; 349.1711, subdivision 1; 349.173; 349.18, subdivision 1; 349.19, subdivisions 4, 10; 349.211, subdivision 2c; 349.2125, subdivision 1; 349.213; 609.75, subdivisions 1, 8; 609.761, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 299L; repealing Minnesota Statutes 2004, sections 349.162, subdivision 3; 349.164; 349.17, subdivision 1."

The motion prevailed and the amendment was adopted.

Hackbarth moved to amend S. F. No. 1555, as amended, as follows:

Page 39, line 13, after "Any" insert "prizewinning"

Page 39, line 15, delete "deposit" and insert "the drawing"

Page 39, line 16, after the period, insert "On July 1 of each year,"

Page 39, line 18, delete everything after the second "the" and insert "commissioner."

Page 39, delete lines 19 to 22

Page 39, line 23, delete "Lottery" and insert "The commissioner"

Page 39, line 25, before "money" insert "prizewinning"

The motion prevailed and the amendment was adopted.

S. F. No. 1555, A bill for an act relating to gambling; amending various provisions relating to lawful gambling; amending and providing definitions; making technical, clarifying, and conforming changes; amending Minnesota Statutes 2004, sections 349.12, subdivisions 5, 25, 33, by adding subdivisions; 349.15, subdivision 1; 349.151, subdivisions 4, 4b; 349.152, subdivision 2; 349.153; 349.155, subdivision 3; 349.16, subdivisions 2, 8; 349.161, subdivision 5; 349.162, subdivisions 1, 4, 5; 349.163, subdivision 3; 349.1635, subdivision 4; 349.166, subdivisions 1, 2; 349.167, subdivision 1; 349.168, subdivision 8; 349.17, subdivisions 5, 7; 349.1711, subdivision 1; 349.173; 349.18, subdivision 1; 349.19, subdivisions 4, 5, 10; 349.211, subdivision 2c; 349.2125, subdivision 1; 349.213; 609.75, subdivision 1; repealing Minnesota Statutes 2004, sections 349.162, subdivision 3; 349.164; 349.17, subdivision 1.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 112 yeas and 21 nays as follows:

Those who voted in the affirmative were:

Abeler	Dill	Heidgerken	Lenczewski	Paulsen	Slawik
Abrams	Dittrich	Hilstrom	Liebling	Pelowski	Smith
Anderson, B.	Dorman	Hilty	Lieder	Penas	Soderstrom
Anderson, I.	Dorn	Hoppe	Lillie	Peppin	Solberg
Atkins	Eken	Hortman	Magnus	Peterson, A.	Sykora
Beard	Emmer	Hosch	Mahoney	Peterson, N.	Thao
Blaine	Entenza	Howes	Mariani	Peterson, S.	Thissen
Bradley	Erhardt	Jaros	Marquart	Poppe	Tingelstad
Brod	Erickson	Johnson, J.	McNamara	Powell	Urdahl
Buesgens	Finstad	Johnson, R.	Meslow	Rukavina	Vandevveer
Carlson	Fritz	Johnson, S.	Moe	Ruth	Wardlow
Charron	Garofalo	Juhnke	Mullery	Ruud	Walti
Cornish	Gazelka	Klinzing	Murphy	Sailer	Westerberg
Cox	Goodwin	Knoblach	Nelson, M.	Samuelson	Westrom
Cybart	Greiling	Kohls	Nelson, P.	Scalze	Wilkin
Davids	Gunther	Krinkie	Newman	Seifert	Zellers
Dean	Hackbarth	Lanning	Nornes	Sertich	Spk. Sviggum
DeLaForest	Hamilton	Larson	Opatz	Simon	
Demmer	Hansen	Latz	Ozment	Simpson	

Those who voted in the negative were:

Bernardy	Eastlund	Hornstein	Koenen	Otremba	Walker
Clark	Ellison	Huntley	Lesch	Paymar	
Davnie	Hausman	Kahn	Loeffler	Sieben	
Dempsey	Holberg	Kelliher	Olson	Wagenius	

The bill was passed, as amended, and its title agreed to.

S. F. No. 370, A bill for an act relating to elections; increasing news media access to polling places; amending Minnesota Statutes 2004, section 204C.06, subdivision 8.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 10 nays as follows:

Those who voted in the affirmative were:

Abeler	Buesgens	Davnie	Eken	Garofalo	Hausman
Anderson, I.	Carlson	DeLaForest	Ellison	Gazelka	Heidgerken
Atkins	Charron	Demmer	Emmer	Goodwin	Hilstrom
Beard	Clark	Dempsey	Entenza	Greiling	Hilty
Bernardy	Cornish	Dill	Erhardt	Gunther	Hoppe
Blaine	Cox	Dittrich	Erickson	Hackbarth	Hornstein
Bradley	Cybart	Dorman	Finstad	Hamilton	Hortman
Brod	Davids	Dorn	Fritz	Hansen	Hosch

Howes	Lanning	McNamara	Pelowski	Seifert	Urdahl
Huntley	Larson	Meslow	Penas	Sertich	Wagenius
Jaros	Latz	Moe	Peterson, A.	Sieben	Walker
Johnson, J.	Lenczewski	Mullery	Peterson, N.	Simon	Wardlow
Johnson, R.	Lesch	Murphy	Peterson, S.	Simpson	Wolti
Johnson, S.	Liebling	Nelson, M.	Poppe	Slawik	Westerberg
Juhnke	Lieder	Nelson, P.	Powell	Smith	Westrom
Kahn	Lillie	Newman	Rukavina	Soderstrom	Wilkin
Kelliher	Loeffler	Nornes	Ruth	Solberg	Zellers
Klinzing	Magnus	Opatz	Ruud	Sykora	Spk. Sviggum
Knoblach	Mahoney	Otremba	Sailer	Thao	
Koenen	Mariani	Ozment	Samuelson	Thissen	
Kohls	Marquart	Paymar	Scalze	Tingelstad	

Those who voted in the negative were:

Abrams	Dean	Holberg	Olson	Peppin
Anderson, B.	Eastlund	Krinkie	Paulsen	Vandev eer

The bill was passed and its title agreed to.

The Speaker resumed the Chair.

H. F. No. 2121 was reported to the House.

Johnson, J., moved to amend H. F. No. 2121, the first engrossment, as follows:

Page 1, line 12, delete "computerized"

Page 1, line 24, delete "computerized"

Page 2, delete lines 5 to 10 and insert:

"(c) The notification required by this section may be delayed to a date certain if a law enforcement agency affirmatively determines that the notification will impede a criminal investigation."

Page 2, line 19, delete everything after the period

Page 2, delete lines 20 to 24

Page 3, line 35, delete "1,000" and insert "500"

Page 3, line 36, delete "without unreasonable delay" and insert "within 48 hours"

Page 4, line 17, delete "the day following final enactment" and insert "January 1, 2006"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

The Speaker called Ozment to the Chair.

Clark and Mullery moved to amend H. F. No. 2121, the first engrossment, as amended, as follows:

Page 4, line 14, after "general" insert "and any individual injured by a violation of this section"

A roll call was requested and properly seconded.

The question was taken on the Clark and Mullery amendment and the roll was called. There were 67 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Fritz	Johnson, R.	Lillie	Paymar	Slawik
Atkins	Goodwin	Johnson, S.	Loeffler	Pelowski	Solberg
Bernardy	Greiling	Juhnke	Mahoney	Peterson, A.	Thao
Carlson	Hansen	Kahn	Mariani	Peterson, S.	Thissen
Clark	Hausman	Kelliher	Marquart	Poppe	Wagenius
Dill	Hilstrom	Koenen	Moe	Rukavina	Walker
Dittrich	Hilty	Larson	Mullery	Ruud	Walti
Dorman	Hornstein	Latz	Murphy	Sailer	
Dorn	Hortman	Lenczewski	Nelson, M.	Scalze	
Eken	Hosch	Lesch	Olson	Sertich	
Ellison	Huntley	Liebling	Opatz	Sieben	
Entenza	Jaros	Lieder	Otremba	Simon	

Those who voted in the negative were:

Abeler	Cybart	Finstad	Klinzing	Ozment	Soderstrom
Abrams	Dauids	Garofalo	Knoblach	Paulsen	Sykora
Anderson, B.	Davnie	Gazelka	Kohls	Penas	Tingelstad
Beard	Dean	Gunther	Krinkie	Peppin	Urdahl
Blaine	DeLaForest	Hackbarth	Lanning	Peterson, N.	Vandevveer
Bradley	Demmer	Hamilton	Magnus	Powell	Wardlow
Brod	Dempsey	Heidgerken	McNamara	Ruth	Westerberg
Buesgens	Eastlund	Holberg	Meslow	Samuelson	Westrom
Charron	Emmer	Hoppe	Nelson, P.	Seifert	Wilkin
Cornish	Erhardt	Howes	Newman	Simpson	Zellers
Cox	Erickson	Johnson, J.	Nornes	Smith	Spk. Sviggum

The motion prevailed and the amendment was adopted.

Johnson, J., moved that H. F. No. 2121, as amended, be temporarily laid over on the Calendar for the Day. The motion prevailed.

S. F. No. 1479, A bill for an act relating to spousal maintenance; authorizing the Department of Human Services to collect spousal maintenance; amending Minnesota Statutes 2004, sections 518.54, subdivisions 4a, 14, by adding a subdivision; 518.551, subdivision 1.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Dill	Hilstrom	Latz	Ozment	Smith
Abrams	Dittrich	Hilty	Lenczewski	Paulsen	Soderstrom
Anderson, B.	Dorman	Holberg	Lesch	Paymar	Solberg
Anderson, I.	Dorn	Hoppe	Liebling	Pelowski	Sykora
Atkins	Eastlund	Hornstein	Lieder	Penas	Thao
Beard	Eken	Hortman	Lillie	Peppin	Thissen
Bernardy	Ellison	Hosch	Loeffler	Peterson, A.	Tingelstad
Blaine	Emmer	Howes	Magnus	Peterson, N.	Urdahl
Bradley	Entenza	Huntley	Mahoney	Peterson, S.	Vandever
Brod	Erhardt	Jaros	Mariani	Poppe	Wagenius
Buesgens	Erickson	Johnson, J.	Marquart	Powell	Walker
Carlson	Finstad	Johnson, R.	McNamara	Rukavina	Wardlow
Charron	Fritz	Johnson, S.	Meslow	Ruth	Welti
Clark	Garofalo	Juhnke	Moe	Ruud	Westerberg
Cornish	Gazelka	Kahn	Mullery	Sailer	Westrom
Cox	Goodwin	Kelliher	Murphy	Samuelson	Wilkin
Cybart	Greiling	Klinzing	Nelson, M.	Scalze	Zellers
Davids	Gunther	Knoblach	Nelson, P.	Seifert	Spk. Sviggum
Davnie	Hackbarth	Koenen	Newman	Sertich	
Dean	Hamilton	Kohls	Nornes	Sieben	
DeLaForest	Hansen	Krinkie	Olson	Simon	
Demmer	Hausman	Lanning	Opatz	Simpson	
Dempsey	Heidgerken	Larson	Otremba	Slawik	

The bill was passed and its title agreed to.

The Speaker resumed the Chair.

S. F. No. 1819, A bill for an act relating to building officials; requiring adoption and application of certain competency and certification criteria; providing for continuing education; amending Minnesota Statutes 2004, section 16B.65, subdivisions 3, 7; proposing coding for new law in Minnesota Statutes, chapter 16B.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 54 yeas and 78 nays as follows:

Those who voted in the affirmative were:

Abeler	Davids	Gazelka	Kohls	Peppin	Soderstrom
Abrams	Dean	Goodwin	Latz	Peterson, N.	Sykora
Beard	DeLaForest	Greiling	Lenczewski	Peterson, S.	Tingelstad
Bernardy	Demmer	Gunther	McNamara	Powell	Vandever
Bradley	Dempsey	Hackbarth	Meslow	Ruth	Wardlow
Buesgens	Dittrich	Hoppe	Nornes	Ruud	Westerberg
Charron	Dorman	Johnson, J.	Olson	Samuelson	Wilkin
Cornish	Erickson	Klinzing	Paulsen	Simon	Zellers
Cox	Garofalo	Knoblach	Paymar	Simpson	Spk. Sviggum

Those who voted in the negative were:

Anderson, B.	Ellison	Hortman	Larson	Nelson, M.	Seifert
Anderson, I.	Emmer	Hosch	Lesch	Nelson, P.	Sertich
Atkins	Entenza	Howes	Liebling	Newman	Sieben
Blaine	Finstad	Huntley	Lieder	Opatz	Slawik
Brod	Fritz	Jaros	Lillie	Otremba	Smith
Carlson	Hamilton	Johnson, R.	Loeffler	Ozment	Solberg
Clark	Hansen	Johnson, S.	Magnus	Pelowski	Thao
Cybart	Hausman	Juhnke	Mahoney	Penas	Thissen
Davnie	Heidgerken	Kahn	Mariani	Peterson, A.	Urdahl
Dill	Hilstrom	Kelliher	Marquart	Poppe	Wagenius
Dorn	Hilty	Koenen	Moe	Rukavina	Walker
Eastlund	Holberg	Krinkie	Mullery	Sailer	Walti
Eken	Hornstein	Lanning	Murphy	Scalze	Westrom

The bill was not passed.

S. F. No. 629, as amended, which was temporarily laid over earlier today on the Calendar for the Day, was again reported to the House.

#### MOTION FOR RECONSIDERATION

McNamara moved that the vote whereby the Larson amendment to S. F. No. 629, as amended, was adopted be now reconsidered.

A roll call was requested and properly seconded.

The question was taken on the McNamara motion and the roll was called. There were 67 yeas and 65 nays as follows:

Those who voted in the affirmative were:

Abeler	Davids	Gunther	Lanning	Paymar	Tingelstad
Abrams	Dean	Hackbarth	Latz	Pelowski	Urdahl
Anderson, B.	DeLaForest	Hamilton	Lillie	Penas	Vandevveer
Beard	Demmer	Hausman	Magnus	Peppin	Westerberg
Blaine	Dempsey	Heidgerken	McNamara	Peterson, N.	Westrom
Bradley	Eastlund	Holberg	Meslow	Ruth	Zellers
Brod	Emmer	Hoppe	Nelson, P.	Samuelson	Spk. Sviggum
Buesgens	Erickson	Howes	Newman	Seifert	
Charron	Finstad	Johnson, J.	Nornes	Simpson	
Cornish	Garofalo	Klinzing	Olson	Smith	
Cox	Gazelka	Knoblach	Ozment	Soderstrom	
Cybart	Greiling	Kohls	Paulsen	Sykora	

Those who voted in the negative were:

Anderson, I.	Carlson	Dill	Eken	Erhardt	Hansen
Atkins	Clark	Dittrich	Ellison	Fritz	Hilstrom
Bernardy	Davnie	Dorn	Entenza	Goodwin	Hilty

Hornstein	Kahn	Lieder	Nelson, M.	Ruud	Thao
Hortman	Kelliher	Loeffler	Opatz	Sailer	Thissen
Hosch	Koenen	Mahoney	Otremba	Scalze	Wagenius
Huntley	Krinkie	Mariani	Peterson, A.	Sertich	Walker
Jaros	Larson	Marquart	Peterson, S.	Sieben	Wardlow
Johnson, R.	Lenczewski	Moe	Poppe	Simon	Wolti
Johnson, S.	Lesch	Mullery	Powell	Slawik	Wilkin
Juhnke	Liebling	Murphy	Rukavina	Solberg	

The motion prevailed.

The Larson amendment to S. F. No. 629, as amended, was again reported to the House and reads as follows:

Page 4, after line 26, insert:

"Sec. 5. Minnesota Statutes 2004, section 473.604, subdivision 5, is amended to read:

Subd. 5. [MEETINGS.] The commission shall meet regularly at least once each month, at such time and place as the commission shall by resolution designate, provided that, beginning January 1, 2008, no meetings shall be scheduled or held within an airport security screening perimeter. Special meetings may be held at any time upon the call of the chair or any two other members, upon written notice sent by certified mail to each member at least three days prior to the meeting, or upon such other notice as the commission may by resolution provide, or without notice if each member is present or files with the secretary a written consent to the meeting either before or after the meeting. Unless otherwise provided, any action within the authority of the commission may be taken by the affirmative vote of a majority of all the members. A majority of all of the members of the commission shall constitute a quorum, but a lesser number may meet and adjourn from time to time and compel the attendance of absent members."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Larson amendment and the roll was called. There were 64 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Entenza	Jaros	Liebling	Otremba	Simon
Atkins	Erhardt	Johnson, R.	Lieder	Peterson, A.	Slawik
Bernardy	Fritz	Johnson, S.	Loeffler	Peterson, S.	Solberg
Carlson	Goodwin	Juhnke	Mahoney	Poppe	Thissen
Clark	Hansen	Kahn	Mariani	Powell	Vanderveer
Davnie	Hilstrom	Kelliher	Marquart	Rukavina	Wagenius
Dill	Hilty	Koenen	Moe	Ruud	Wardlow
Dittrich	Hornstein	Krinkie	Mullery	Sailer	Wolti
Dorn	Hortman	Larson	Murphy	Scalze	Wilkin
Eken	Hosch	Lenczewski	Nelson, M.	Sertich	
Ellison	Huntley	Lesch	Opatz	Sieben	

Those who voted in the negative were:

Abeler	Davids	Greiling	Kohls	Paulsen	Thao
Abrams	Dean	Gunther	Lanning	Pelowski	Tingelstad
Anderson, B.	DeLaForest	Hackbarth	Latz	Penas	Urdahl
Beard	Demmer	Hamilton	Lillie	Peppin	Westerberg
Blaine	Dempsey	Hausman	Magnus	Peterson, N.	Westrom
Bradley	Dorman	Heidgerken	McNamara	Ruth	Zellers
Brod	Eastlund	Holberg	Meslow	Samuelson	Spk. Sviggum
Buesgens	Emmer	Hoppe	Nelson, P.	Seifert	
Charron	Erickson	Howes	Newman	Simpson	
Cornish	Finstad	Johnson, J.	Nornes	Smith	
Cox	Garofalo	Klinzing	Olson	Soderstrom	
Cybart	Gazelka	Knoblach	Ozment	Sykora	

The motion did not prevail and the amendment was not adopted.

S. F. No. 629, A bill for an act relating to the Metropolitan Council; removing the requirement for adoption of a separate airports or aviation system plan; repealing provisions for planning administration between the Metropolitan Council and the Metropolitan Airports Commission; repealing obsolete provisions; amending Minnesota Statutes 2004, sections 473.146, subdivisions 1, 3; 473.192, subdivisions 2, 3; 473.655; 473.852, subdivision 8; repealing Minnesota Statutes 2004, sections 473.155; 473.619.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 7 nays as follows:

Those who voted in the affirmative were:

Abeler	Demmer	Hausman	Lanning	Otremba	Simon
Abrams	Dempsey	Heidgerken	Latz	Ozment	Simpson
Anderson, B.	Dill	Hilstrom	Lesch	Paulsen	Slawik
Anderson, I.	Dorn	Hilty	Liebling	Paymar	Smith
Atkins	Eastlund	Holberg	Lieder	Pelowski	Soderstrom
Beard	Eken	Hoppe	Lillie	Penas	Solberg
Bernardy	Ellison	Hornstein	Loeffler	Peppin	Sykora
Blaine	Emmer	Hortman	Magnus	Peterson, A.	Thao
Bradley	Entenza	Hosch	Mahoney	Peterson, N.	Thissen
Brod	Erhardt	Howes	Mariani	Peterson, S.	Tingelstad
Buesgens	Erickson	Huntley	Marquart	Poppe	Urdahl
Carlson	Finstad	Jaros	McNamara	Powell	Vandever
Charron	Fritz	Johnson, J.	Meslow	Rukavina	Walker
Clark	Garofalo	Johnson, R.	Moe	Ruth	Wardlow
Cornish	Gazelka	Johnson, S.	Mullery	Ruud	Welti
Cox	Goodwin	Juhnke	Murphy	Sailer	Westerberg
Cybart	Greiling	Kahn	Nelson, M.	Samuelson	Westrom
Davids	Gunther	Klinzing	Nelson, P.	Scalze	Wilkin
Davnie	Hackbarth	Knoblach	Newman	Seifert	Zellers
Dean	Hamilton	Koenen	Nornes	Sertich	Spk. Sviggum
DeLaForest	Hansen	Kohls	Olson	Sieben	

Those who voted in the negative were:

Dittrich	Krinkie	Lenczewski	Wagenius
Kelliher	Larson	Opatz	

The bill was passed, as amended, and its title agreed to.

H. F. No. 2121, as amended, which was temporarily laid over earlier today on the Calendar for the Day, was again reported to the House.

H. F. No. 2121, A bill for an act relating to commerce; requiring businesses that possess personal data to notify persons whose personal information has been disclosed to unauthorized persons; proposing coding for new law in Minnesota Statutes, chapter 325E.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abeler	Dempsey	Hausman	Larson	Opatz	Simon
Abrams	Dill	Hilstrom	Latz	Otremba	Simpson
Anderson, B.	Dittrich	Hilty	Lenczewski	Ozment	Slawik
Anderson, I.	Dorman	Holberg	Lesch	Paulsen	Smith
Atkins	Dorn	Hoppe	Liebling	Paymar	Soderstrom
Beard	Eastlund	Hornstein	Lieder	Pelowski	Sykora
Bernardy	Eken	Hortman	Lillie	Penas	Thao
Blaine	Ellison	Hosch	Loeffler	Peppin	Thissen
Bradley	Emmer	Howes	Magnus	Peterson, A.	Tingelstad
Brod	Entenza	Huntley	Mahoney	Peterson, N.	Urdahl
Buesgens	Erhardt	Jaros	Mariani	Peterson, S.	Vandevveer
Carlson	Erickson	Johnson, J.	Marquart	Poppe	Wagenius
Charron	Finstad	Johnson, R.	McNamara	Powell	Walker
Clark	Fritz	Johnson, S.	Meslow	Rukavina	Wardlow
Cornish	Garofalo	Juhnke	Moe	Ruth	Welti
Cox	Gazelka	Kahn	Mullery	Ruud	Westerberg
Cybart	Goodwin	Kelliher	Murphy	Sailer	Westrom
Davids	Greiling	Klinzing	Nelson, M.	Samuelson	Wilkin
Davnie	Gunther	Knoblach	Nelson, P.	Scalze	Zellers
Dean	Hackbarth	Koenen	Newman	Seifert	Spk. Sviggum
DeLaForest	Hamilton	Krinkie	Nornes	Sertich	
Demmer	Hansen	Lanning	Olson	Sieben	

Those who voted in the negative were:

Heidgerken	Kohls
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The bill was passed, as amended, and its title agreed to.

Paulsen moved that the remaining bills on the Calendar for the Day be continued. The motion prevailed.

#### ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 874:

Brod, Emmer and Hilty.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 894:

Cox, Hackbarth and Dill.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 987:

Sieben, Wilkin and Gunther.

There being no objection, the order of business reverted to Reports of Standing Committees.

#### REPORTS OF STANDING COMMITTEES

Paulsen from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 2519, A bill for an act relating to legislative enactments; correcting miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors; amending Minnesota Statutes 2004, section 66A.02, as amended.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

#### SECOND READING OF HOUSE BILLS

H. F. No. 2519 was read for the second time.

#### MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House Files, herewith returned:

H. F. No. 400, A bill for an act relating to unemployment insurance; making an eligibility exception permanent for certain school food service workers; amending Minnesota Statutes 2004, section 268.085, subdivision 8.

H. F. No. 898, A bill for an act relating to unemployment insurance; conforming various provisions to federal requirements; making technical and housekeeping changes; modifying appeal procedures; amending Minnesota Statutes 2004, sections 268.03, subdivision 1; 268.035, subdivisions 9, 13, 14, 20, 21, 26; 268.042, subdivision 1; 268.043; 268.044, subdivisions 1, 2, 3; 268.045, subdivision 1; 268.051, subdivisions 1, 4, 6, 7, by adding a subdivision; 268.052, subdivision 2; 268.053, subdivision 1; 268.057, subdivision 7; 268.065, subdivision 2; 268.069, subdivision 1; 268.07, subdivision 3b; 268.085, subdivisions 1, 2, 3, 5, 12; 268.086, subdivisions 2, 3; 268.095, subdivisions 1, 4, 7, 8, 10, 11; 268.101, subdivisions 1, 2, 3a; 268.103, subdivision 2; 268.105; 268.145, subdivision 1; 268.18, subdivisions 1, 2, 2b; 268.182, subdivision 2; 268.184, subdivisions 1, 2, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 2004, sections 268.045, subdivisions 2, 3, 4; 268.086, subdivision 4; Laws 1997, chapter 66, section 64, subdivision 1; Minnesota Rules, parts 3310.2926; 3310.5000; 3315.0910, subpart 9; 3315.1020; 3315.1301; 3315.1315, subparts 1, 2, 3; 3315.1650; 3315.2210; 3315.3210; 3315.3220.

H. F. No. 1109, A bill for an act relating to public safety; reviving and reenacting the board of firefighting training and education.

H. F. No. 1748, A bill for an act relating to state employees; modifying grievance appeal procedures; eliminating a medical examination requirement; amending Minnesota Statutes 2004, sections 43A.33, subdivision 3; 43A.34, subdivision 3; repealing Minnesota Statutes 2004, section 43A.33, subdivision 4.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 1164, A bill for an act relating to traffic regulations; modifying provision governing the passing of a parked emergency vehicle; providing eligibility criteria for business panels on logo sign panels; amending Minnesota Statutes 2004, sections 160.80, subdivision 1a; 169.18, subdivision 11.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 225, A bill for an act relating to government data; making technical, conforming, and clarifying changes to the Minnesota Government Data Practices Act; defining terms; modifying certain civil penalty and damages amounts; classifying, regulating, and reviewing access to and dissemination of certain data; providing notice of breaches in security; regulating certain fees; providing for the conduct of certain board and council meetings; modifying provisions regulating motor vehicle and driver applications and records; modifying vehicle accident reports and procedures; providing for treatment of data held by the comprehensive incident-based reporting

system; amending Minnesota Statutes 2004, sections 11A.24, subdivision 6; 13.01, subdivisions 1, 3; 13.02, subdivision 7; 13.03, subdivisions 1, 2, 3, 4, 5, 6, 8; 13.04, subdivisions 2, 4; 13.05, subdivisions 1, 4, 6, 7, 8, 9; 13.06, subdivisions 1, 2, 3, 4; 13.07; 13.072, subdivision 4; 13.073, subdivision 3; 13.08, subdivisions 1, 2, 4, 5; 13.32, by adding a subdivision; 13.37, subdivisions 1, 2, 3; 13.3805, by adding a subdivision; 13.43, subdivisions 1, 2, 3; 13.46, subdivision 4; 13.591, by adding subdivisions; 13.601, by adding a subdivision; 13.635, by adding a subdivision; 13.72, by adding subdivisions; 13.82, subdivisions 1, 16; 16C.06, subdivision 5; 116J.68, by adding a subdivision; 116L.03, by adding a subdivision; 116L.665, by adding a subdivision; 116M.15, by adding a subdivision; 116U.25; 168.346; 168A.04, by adding a subdivision; 169.09, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, 14, 15, by adding subdivisions; 171.07, subdivisions 1, 3; 171.12, subdivision 7; proposing coding for new law in Minnesota Statutes, chapters 13; 41A; 299C; repealing Minnesota Statutes 2004, sections 13.04, subdivision 5; 169.09, subdivision 10; 170.55.

PATRICK E. FLAHAVEN, Secretary of the Senate

Holberg moved that the House refuse to concur in the Senate amendments to H. F. No. 225, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

#### ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 225:

Holberg, Emmer and Ellison.

Paulsen moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by Speaker pro tempore Paulsen.

There being no objection, the order of business reverted to Reports of Standing Committees.

#### REPORTS OF STANDING COMMITTEES

Knoblach from the Committee on Ways and Means to which was referred:

S. F. No. 1298, A bill for an act relating to environment; enacting the Minnesota Electronics Recycling Act of 2005; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 116H.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2004, section 115A.9565, is amended to read:

115A.9565 [CATHODE-RAY TUBE PROHIBITION.]

Effective July 1, ~~2005~~ 2006, a person may not place in mixed municipal solid waste an electronic product containing a cathode-ray tube."

Delete the title and insert:

"A bill for an act relating to environment; prohibiting certain electronic products in mixed municipal solid waste; amending Minnesota Statutes 2004, section 115A.9565."

With the recommendation that when so amended the bill pass.

The report was adopted.

## **SECOND READING OF SENATE BILLS**

S. F. No. 1298 was read for the second time.

## **MOTIONS AND RESOLUTIONS**

Peterson, A., moved that the names of Greiling; Otremba; Mahoney; Johnson, S.; Wagenius; Huntley; Pelowski; Liebling; Paymar; Hausman; Johnson, R., and Sieben be added as authors on H. F. No. 1798. The motion prevailed.

Davids moved that the name of Juhnke be added as an author on H. F. No. 2532. The motion prevailed.

## **ADJOURNMENT**

Seifert moved that when the House adjourns today it adjourn until 9:00 a.m., Monday, May 23, 2005. The motion prevailed.

Seifert moved that the House adjourn. The motion prevailed, and Speaker pro tempore Paulsen declared the House stands adjourned until 9:00 a.m., Monday, May 23, 2005.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives

